

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, attorney-at-law, tax adviser, accountant or other professional adviser immediately. If you have sold or transferred all of your Shares in CIBC West Indies Holdings Limited, you should send this document, the accompanying Proxy Circular and the related proxy form to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward delivery to the purchaser or transferee.

OFFERING CIRCULAR – AUGUST 26, 2002

CIBC WEST INDIES HOLDINGS LIMITED

to be re-named

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED

**5 for 12 Rights Issue at US\$1.05 per New Share
(or its equivalent in Bahamian Dollars, Barbados Dollars, Cayman Dollars,
Jamaican Dollars, Trinidad and Tobago Dollars or East Caribbean Dollars
on the terms set out herein)**

**for a maximum of
58,674,509 New Shares**

This document contains particulars given in compliance with the applicable securities laws in Barbados, Jamaica and Trinidad and Tobago and is in conformity with the regulations, rules and procedures of each of the Barbados, Jamaica and Trinidad and Tobago Exchanges and/or their respective Boards.

This Offering Circular does not constitute an offer to sell or a solicitation of any offer to buy any securities in the United Kingdom, the United States of America, Canada, Australia, Japan or any other Non-Qualifying Jurisdiction. Accordingly, in any Non-Qualifying Jurisdiction this Offering Circular is for information purposes only. Pursuant to this Offering Circular, Rights and New Shares will only be offered to, and subscriptions will only be accepted from, persons with an address of record in a Qualifying Jurisdiction. Neither the Rights nor New Shares to be offered pursuant to this Offering Circular or the Provisional Allotment Letters have been or will be registered under the relevant securities laws of the United Kingdom, the United States of America, Canada, Australia, Japan or any other Non-Qualifying Jurisdiction and neither they nor the Provisional Allotment Letters may be offered, sold, renounced or delivered in, or into, these jurisdictions.

**The procedure for acceptance and payment is set out in
*Part IV: Details of the Rights Issue - Action to be Taken.***

CIBC Canada and Barclays publicly announced on October 31, 2001 that they had signed an agreement to combine the Caribbean retail, corporate and offshore banking operations of the Company and its subsidiaries with the Caribbean retail, corporate and offshore banking operations of Barclays to create FirstCaribbean International Bank™ (the “Combination”). **Implementation of the Combination is subject to, among other things, receipt of certain approvals from governmental and regulatory authorities, as well as approval by shareholders of the Company of certain corporate changes to the Company. There is no guarantee that such conditions will be satisfied or waived or that the Combination will proceed.**

As part of the Combination, the Company will issue a further 195,010,625 Shares to CIBC Holdings, a wholly-owned subsidiary of CIBC Canada and the registered holder of record (prior to implementation of the Combination) of 470,990,742 Shares of the Company, for a cash consideration of US\$205,000,000. **Under the laws of Barbados, there is no statutory requirement that further issues of Shares of the Company must be made to existing shareholders pro rata to their equity interests.** However, to mitigate against the dilution of interest of the existing shareholders other than CIBC Holdings, the Directors resolved that, as part of the Combination, the Company would undertake the Rights Issue to allow Qualifying Shareholders to subscribe for New Shares at the same price as that at which Shares will be issued to CIBC Holdings for the purposes of the Combination, being US\$1.05 per Share.

The Rights Issue is conditional upon completion of the Combination and the listing of the New Shares on the Exchanges. If the Combination or the listing of the New Shares on the Exchanges does not proceed, the Rights Issue will not proceed. The Company reserves the right to waive conditions.

Shareholders of the Company will be asked to approve certain corporate changes to the Company at a Special Meeting of the Company to be held on September 18, 2002. A copy of the Proxy Circular which describes the matters to be voted on at the Special Meeting and how to cast votes on such matters, a notice of meeting and a proxy form have been posted, together with this Offering Circular, to holders of Shares at the close of business on August 19, 2002.

Following completion of the Combination, the Company will issue to the holders of its Shares on the Record Date with an address of record in a Qualifying Jurisdiction, Rights to subscribe for New Shares. Each Qualifying Shareholder will receive one Right for each Share held. Twelve Rights will entitle the holder to subscribe for five New Shares at a price of US\$1.05 (or its equivalent in certain other currencies) per New Share (the “Subscription Price”). Fractional entitlements will be rounded down to the nearest whole New Share. Each holder of a Right which exercises all of its entitlement to New Shares will have the right (as set out herein) to apply for Excess Shares, if any are available as a result of Rights that are not exercised by the Expiry Date, at the Subscription Price.

The Qualifying Jurisdictions are Antigua and Barbuda, The Bahamas, Barbados, the Cayman Islands, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago and the Turks and Caicos Islands. Pursuant to this Offering Circular, Rights and New Shares will only be offered to, and subscriptions will only be accepted from, persons with an address of record in a Qualifying Jurisdiction. Holders of Shares with an address of record outside the Qualifying Jurisdictions should refer to *Part IV: Details of the Rights Issue – Non-Qualifying Shareholders*.

Application has been made to the Barbados Stock Exchange, the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange for the New Shares to be admitted to their respective Official Lists. This statement is not to be construed as a guarantee that the New Shares will be admitted to their Official Lists. It is expected that such admissions will become effective and that dealings in the New Shares will commence within 32 Business Days after Completion Day (or as soon thereafter as practicable). The issue of this document, the Rights Issue and the issue of New Shares have received the approval of or been registered with the Securities Commission of Barbados, the Jamaica Financial Services Commission and the Trinidad and Tobago Securities and Exchange Commission.

The offer of New Shares has been registered with the registrar of companies, securities regulators or other similar authority (if applicable) in Antigua and Barbuda, The Bahamas, Barbados, the Cayman Islands, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago and the Turks and Caicos Islands, in accordance with applicable laws, but no such authority takes any responsibility for the validity of this Offering Circular or any statements made or opinions expressed herein.

The stock exchanges and securities commissions in Barbados, Jamaica and Trinidad and Tobago have not, however, in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

All capitalized terms in this Offering Circular (except for *Parts IX-XIII*) have the meanings set out in *Part II: Definitions*.

Aspects of the Rights Issue

(to be read in conjunction with the rest of this Offering Circular)

Record Date: At least 5 Business Days prior to Completion Day.

Subscription Price: The Subscription Price for each New Share is US\$1.05 (unless the subscriber's address of record is in The Bahamas, in which case it is 1.05 Bahamian Dollars) or, as an alternative choice, if the subscriber's address of record is in any of the following jurisdictions, the equivalent amount in the relevant currency set out opposite in accordance with the exchange rates to be notified in the Provisional Allotment Letters (being the relevant exchange rates as at the latest practicable date prior to the despatch of the Provisional Allotment Letters as determined by the Company):

Jurisdiction	Currency
Barbados	BBD\$
The Cayman Islands	KYD\$
Jamaica	JMD\$
Trinidad and Tobago	TTD\$
The Eastern Caribbean Countries (Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines)	XCD\$

Subscription Basis: Following completion of the Combination each holder of Shares on the Record Date with an address of record in a Qualifying Jurisdiction is entitled to receive one Right for each Share held. Twelve Rights entitle such holder to subscribe, on or before the Expiry Date and subject to the Rights Issue becoming unconditional, for five New Shares at the Subscription Price. CIBC Canada has agreed with the Company that neither it nor any of its subsidiaries will be entitled to receive any Rights, or to subscribe for any New Shares, under the Rights Issue. Fractional entitlements will be rounded down to the nearest whole New Share.

Application for Excess Shares: Each holder of a Right which exercises all of its entitlement to New Shares arising under a Provisional Allotment Letter will have the right to apply for Excess Shares at the Subscription Price. See *Part IV: Details of the Rights Issue – Action to be taken*.

Transfer and Splitting:	The Provisional Allotment Letters can be transferred by renunciation and can be split. See <i>Part IV: Details of the Rights Issue – Action to be taken</i> .
Maximum Issue Size:	Pursuant to the Rights Issue, a maximum of 58,674,509 New Shares (including Excess Shares) can be issued to public shareholders. This maximum number excludes any New Shares for which CIBC Canada or its subsidiaries might otherwise have been entitled to subscribe had they not agreed to forgo receipt of any Rights.
Maximum Gross Proceeds:	US\$61,608,234. The Rights Issue has not been underwritten.
No Minimum Issue Size:	The offering is not subject to any minimum subscription level.
Delivery of Share Certificates:	Each successful subscriber for New Shares (including Excess Shares) will receive a certificate representing the New Shares allotted and issued pursuant to this Rights Issue.
Non-Qualifying Shareholders:	This Offering Circular is intended for use only in the Qualifying Jurisdictions. Pursuant to this Offering Circular, Rights and New Shares will only be offered to, and subscriptions will only be accepted from, persons with an address of record in a Qualifying Jurisdiction. Persons with an address of record outside the Qualifying Jurisdictions should refer to <i>Part IV: Details of the Rights Issue – Non-Qualifying Shareholders</i> .
Stock Exchange Listing:	The Shares are listed on the Barbados Stock Exchange, the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange. Application for listing of the New Shares has been made to the Barbados Stock Exchange, the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.
Risk Factors:	An investment in New Shares involves a number of risks which should be considered by potential subscribers. See <i>Part VIII: Risk Factors</i> .
Conditions:	The Rights Issue is conditional upon completion of the Combination and the listing of the New Shares on the Exchanges. Completion of the Combination is subject to, among other things, receipt of certain approvals from governmental, regulatory and tax authorities, as well as approvals by shareholders of the Company of certain corporate changes to the Company. Other conditions relate to there being no material adverse change or effect, pre-completion restructuring by the CIBC Caribbean Group in the Cayman Islands, certain minimum financial obligations being met on a group basis, the execution of ancillary agreements, and there being no material breach of warranty given in connection with the Combination.

There is no guarantee that such conditions will be satisfied or waived or that the Combination will complete. If the Combination does not complete, the Rights Issue will not proceed. The Company reserves the right to waive conditions.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE - Please note that these timelines are not fixed and are subject to change at any time.

Record date for the Special Meeting of the Company	August 19, 2002
Posting of Offering Circular and Proxy Circular for the Special Meeting of the Company	August 26, 2002
Latest time for receipt of proxy forms for the Special Meeting of the Company	5.00 p.m. on September 16, 2002
Special Meeting of the Company	September 18, 2002
Record Date for the Rights Issue	At least 5 Business Days prior to Completion Day
Completion of the Combination	Completion Day
Posting of Provisional Allotment Letters and related forms (see page 24)	Completion Day + 5 Business Days
Latest time for splitting the Provisional Allotment Letters (see page 26)	5.00 p.m. on Completion Day + 12 Business Days
Latest time for acceptance and payment in full (the “Expiry Date”)	5.00 p.m. on Completion Day + 20 Business Days
Posting of notice re: Application for Excess Shares (see page 27) and definitive share certificates for New Shares	Completion Day + 30 Business Days
Dealings in New Shares commence	Completion Day + 32 Business Days

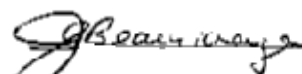
All references in this document are to Eastern Standard Time unless otherwise specified.

The procedure for acceptance and payment and transfer of Rights is set out in *Part IV: Details of the Rights Issue - Action to be Taken*. If you have any questions or concerns with respect to the procedure for acceptance and payment or transfer of Rights, you should contact the Company's Registrar and Transfer Agent, CIBC Trust And Merchant Bank (Barbados) Limited at 1-866-470-3242 for calls originating outside Barbados and at 246-367-2441 for local calls.

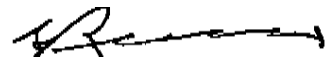
The Directors, whose names appear below, collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.



Michael Mansoor



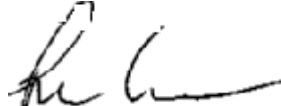
Jacqueline Beaurivage



John Breen



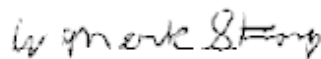
Sir Fred Gollop



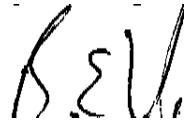
Ron Lalonde



Kyffin Simpson



Mark Strang



Richard Venn

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PART I: LETTER FROM THE CHAIRMAN



**The President & CEO
CIBC WEST INDIES HOLDINGS LIMITED**

CIBC Centre, Warrens
St. Michael
Barbados, W.I.
Tel : (246) 367-2500 Fax : (246) 424-8977

Dear Shareholder

The Combination and the 5 for 12 Rights Issue

INTRODUCTION

On October 31, 2001, CIBC Canada and Barclays announced that they had signed an agreement to combine the Caribbean retail, corporate and offshore banking operations of the Company and its subsidiaries with the Caribbean retail, corporate and offshore banking operations of Barclays to create FirstCaribbean International Bank. This Combination involves the operating subsidiaries of the Company in Barbados, The Bahamas and the Cayman Islands acquiring geographically related operations of Barclays. Implementation of the Combination is subject to, among other things, receipt of certain approvals from governmental and regulatory authorities, as well as approval by shareholders of the Company of certain corporate changes to the Company.

As part of the Combination, the Directors resolved that the Company would undertake the Rights Issue to allow its Qualifying Shareholders to subscribe for New Shares at the same price as that at which Shares will be issued to CIBC Canada's wholly owned subsidiary, CIBC Holdings, for the purposes of the Combination, which is US\$1.05 per share. The Rights Issue is conditional on completion of the Combination and the listing of the New Shares on the Exchanges. The Company reserves the right to waive conditions.

Shareholders of the Company will be asked to approve certain corporate changes to the Company at a Special Meeting to be held on September 18, 2002. These relate to the change of name of the Company to FirstCaribbean International Bank Limited, the adoption of certain amendments to the Articles of the Company, the issue of Shares for the purposes of the Combination and the Rights Issue and the appointment of new directors to the Board. A copy of the Proxy Circular, which describes the matters to be voted on at the Special Meeting and how to cast votes on such matters, together with the related notice of meeting and proxy forms, are enclosed with this Offering Circular. The Proxy Circular and this Offering Circular are being posted to holders of the Company's Shares on August 19, 2002. If you are not a Qualifying Shareholder, with an address of record in the Qualifying Jurisdictions, the Offering Circular is being provided to you for information purposes only, you will not receive a Provisional Allotment Letter and you will not be entitled to subscribe for Shares under the Rights Issue.

**Board of Directors: Mr. Michael Mansoor; Ms. Jacqueline Beurivage; Mr. John Breen; Sir Fred Gollop
Mr. Ron Lalonde; Mr. Kyffin Simpson; Mr. Mark Strang; Mr. Richard Venn**

The purpose of this Offering Circular is to provide you with information regarding the Rights Issue and the Combination.

BACKGROUND TO AND REASONS FOR THE COMBINATION

Subject to completion of the Combination, FirstCaribbean will bring together two complementary and leading financial services businesses in the Caribbean, offering customers an enhanced range of products and extended access to banking services. It is expected to establish FirstCaribbean as a significant Caribbean presence and to enable it to play a key role in the financial services industry in the region.

The Board considers the terms of the Combination to be fair and reasonable and in the best interests of shareholders of the Company. In reaching this conclusion, the Board has considered the fairness opinions from Ernst & Young and from UBS Warburg. The full text of these opinions and the bases and assumptions for them are set out in *Part IX: Fairness Opinions*.

The Board believes that the Combination will provide benefits and opportunities for customers and staff of the Group. The benefits and opportunities are expected to derive from:

- The combination of the banks' respective strengths in domestic retail banking in the region, which should create additional product sales opportunities across a wide range of retail financial service capabilities.
- The combination of the banks' strong franchises in domestic corporate banking in the region, coupled with the extended customer base and distribution capability.
- The successful track record of Barclays in selling offshore products and the application of this capability across FirstCaribbean's customer base.
- Annualised synergies expected to be over US\$60 million pre-tax per annum by the end of the first three years of operation after completion of the Combination. Cost savings are to be sourced from the combination of operating and processing infrastructure, IT savings, removal of duplicated central costs and limited branch and office co-location. Revenue synergies are expected to be sourced from new product and service introductions. Total restructuring and integration costs of some US\$76 million are expected to be incurred by FirstCaribbean as a result of the Combination by the end of the first three years of operation after completion of the Combination.

CIBC Canada's wealth management business and Barclays private banking business and their clients are not included within the scope of the Combination and will remain under their respective CIBC Canada and Barclays ownership.

As part of the transaction, the Company will be renamed FirstCaribbean International Bank Limited. It intends to retain its listings in Barbados, Trinidad and Tobago and Jamaica. FirstCaribbean Group also intends to maintain the existing listings of CIBC Bahamas in The Bahamas and CIBC Jamaica in Jamaica. CIBC Bahamas and CIBC Jamaica will be renamed

FirstCaribbean International Bank (Bahamas) Limited and FirstCaribbean International Bank (Jamaica) Limited respectively.

Michael Mansoor is the current President and Chief Executive Officer of the Company, and following completion of the Combination will be the appointed Chairman of FirstCaribbean. The Chief Executive Officer of FirstCaribbean will be Charles Pink, currently a Barclays executive. The Board of FirstCaribbean will initially comprise ten directors: four nominated by Barclays, four nominated by CIBC Canada and two independent directors. The headquarters of FirstCaribbean will be located in Barbados.

For more information on the CIBC Caribbean Group, the Barclays Caribbean Banking Operations and the FirstCaribbean Group see *Part VI: Group History and Profile*. Further details of the Combination are set out below and in *Part III: Summary of the Combination*.

EMPLOYEE STOCK AWARD

Subject to completion of the Combination the Company will establish an Employee Stock Award for the benefit of eligible employees of the FirstCaribbean Group. Under the terms of the Employee Stock Award such employees will be eligible to receive, subject to certain conditions and applicable legal requirements, on the first anniversary of Completion Day, Shares having a value of between US\$1,500 and US\$3,500, depending on the employee's seniority and grade level. The number of Shares allocated to each eligible employee will be calculated based on a price of US\$1.05 per Share, being the same price as that at which shareholders of the Company will be eligible to subscribe for Shares under the Rights Issue.

It is intended that for the purposes of the Employee Stock Award 6,048,757 Shares will be issued from treasury to a trustee company on Completion Day, to be held on trust for the benefit of eligible employees until the first anniversary of Completion Day. On such first anniversary date, the Shares will vest in, and be transferred to, eligible employees. Up to 6,048,757 Employee Stock Award Shares will be issued to eligible employees under the Employee Stock Award. Any Employee Stock Award Shares that are not taken up by eligible employees within six months from the first anniversary of Completion Day will be repurchased and cancelled by the Company.

Eligible employees are employees with one year's continuous service with the FirstCaribbean Group as at the first anniversary of Completion Day. Employees who reach retirement age, or who leave the FirstCaribbean Group under an approved redundancy or voluntary exit plan, during the first year of operation will be eligible employees and their Employee Stock Award Shares will vest on the first anniversary of Completion Day. If an eligible employee dies within the first year of Completion Day, the Employee Stock Award Shares which he or she would otherwise be entitled to receive will vest in, and be transferred to, his or her estate on the first anniversary of Completion Day. Employees who resign, leave or are dismissed with cause from the FirstCaribbean Group within the first year from Completion Day will not be eligible to receive Employee Stock Award Shares.

The Company has accounted for the Employee Stock Award through a capitalisation of retained earnings of US\$6.4 million. This will form part of the share capital of the Company and therefore will not be available for distribution.

This is a summary of information in connection with the Employee Stock Award. Eligible employees will receive further details.

SHARES TO BE ISSUED UNDER THE COMBINATION AND RIGHTS ISSUE

Under the Combination, CIBC Holdings, a wholly-owned subsidiary of CIBC Canada which is a shareholder of the Company, will contribute US\$205,000,000 by subscribing for 195,010,625 additional Shares, thereby increasing its holding in the Company to 666,001,367 Shares.

Barclays will transfer its Caribbean retail, commercial and offshore banking operations to the CIBC Caribbean Group ultimately in exchange (if certain put or call options are exercised) for 666,001,367 Shares, 24,685,024 Non-Voting Shares and 180,000,000 Preference Shares. Further details of the Non-Voting Shares and Preference Shares are contained in the Proxy Circular.

The Rights Issue will give Qualifying Shareholders the right, but not the obligation, to subscribe for New Shares at the same price as that at which Shares will be issued to CIBC Holdings under the terms of the Combination.

CIBC Canada has agreed with the Company that neither it nor any of its subsidiaries will be entitled to receive any Rights or subscribe for New Shares under the Rights Issue. Pursuant to the Rights Issue, a maximum of 58,674,509 New Shares can be issued to public shareholders. This maximum number of New Shares which can be issued to public shareholders under the Rights Issue excludes any New Shares for which CIBC Canada or its subsidiaries might otherwise have been entitled to subscribe had they not agreed to forgo receipt of any Rights.

Following the Rights Issue, assuming that all such New Shares and that 6,048,757 Employee Stock Award Shares are issued, CIBC Holdings and Barclays will each hold 666,001,367 Shares, representing approximately 43.3% of the total Shares in issue, with the remaining approximately 13.4% of the Shares in issue being publicly owned.

The terms of the Combination provide for regulatory capital adjustments with reference to assumed financial positions of Barclays Caribbean Banking Operations and the CIBC Caribbean Group, both on a stand alone and combined basis, at July 31, 2001, and after the investment of US\$205 million in the Company through private placement. The results of each business after that date are for the account of the combined business, subject to the extraction of any excess regulatory capital as at July 31, 2001 assuming Tier 1 capital ratio of 14%. To the extent that the Company is entitled to extract such excess, it is anticipated that this will be paid out by way of a special dividend on the shares to all existing shareholders of record on a date to be determined. New Shares will not be eligible for any such dividend. The pro forma financial statements (see *Part XIII: Compilation Report and the Unaudited FirstCaribbean Pro Forma Balance Sheet and Income Statement as of and for the period ended April 30, 2002*, note 2 (10)) reflect an adjustment of US\$53 million to retained earnings and cash reflecting the estimated impact of paying such a special dividend. The actual amount of any special dividend, if any, may be less or more than the estimated amount.

Pursuant to this Offering Circular, save as otherwise determined by the Directors, Rights and New Shares will only be offered to, and subscriptions will only be accepted from, persons with an address of record in a Qualifying Jurisdiction. Holders of Shares with an address of record outside the Qualifying Jurisdictions should refer to *Part IV: Details of the Rights Issue – Non-Qualifying Shareholders*. Further details of the Rights Issue are set out in *Part IV*.

The public shareholders of CIBC Bahamas, a subsidiary of the Company, will also have the opportunity to subscribe for additional shares in CIBC Bahamas in a separate rights issue as part of the Combination.

USE OF PROCEEDS

The proceeds of the Rights Issue are estimated at US\$60,348,761 net of expenses, assuming that the maximum number of New Shares is issued. The Rights Issue is not underwritten. The proceeds of the Rights Issue will be available for general corporate purposes. In addition, with approval of the Board of Directors and subject to any regulatory approval, the Company may also use the proceeds available at any time to repurchase or redeem all or a proportion of the Non-Voting Shares that will be issued to Barclays. The terms of the Combination provide that any such redemption or repurchase of Non-Voting Shares within a fifteen month period following completion of the Combination, will be at a price of US\$1.05.

As part of the Combination, CIBC Holdings will by private placement subscribe US\$205,000,000 for Shares. The Company will use the proceeds of this private placement to subscribe for shares of its operating subsidiaries with a view to ensuring their adequate capitalisation in accordance with the relevant banking regulations.

RECENT TRANSACTION: LIFE OF BARBADOS

In connection with a take-over bid, the Company agreed to sell its 4,300,300 common shares in the capital of Life of Barbados ("LOB") to The Barbados Mutual Life Assurance Company ("the Mutual"). On May 24, 2002, the Mutual agreed to pay the purchase price of BBD\$5.10 per common share in the capital of LOB. On June 24, 2002 the transaction closed for a total consideration of BBD\$21,876,701.17 and a pre-tax profit of BBD\$16,716,341.17 to be reflected in the Company's third quarter results.

RISK FACTORS

The Group will be subject to many risk factors which may impact on its future performance. See *Part VIII: Risk Factors*. Shareholders should consider the risk factors described below, the risk factors set out in *Part VIII* and the other information in this document before subscribing for New Shares under the Rights Issue.

The market price of Shares following the Rights Issue could be subject to significant fluctuations in response to various factors and events, including but not limited to the liquidity of the market for Shares, the integration process following the proposed Combination, differences between the Group's actual financial or operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, movement in interest and exchange rates, currency fluctuations, restrictions and controls, competition in the banking system, new statutes and regulations or changes in interpretations of existing statutes or regulations affecting the banking system, and changes in general market and economic conditions. There can be no assurance that the market price of the New Shares being offered in this Rights Issue will not decline below the Subscription Price.

Shareholders are urged to seek appropriate taxation or other professional advice concerning the consequences of investing in the Company.

ACTION TO BE TAKEN

The procedure for acceptance and payment and transfer of Rights is set out in *Part IV: Details of the Rights Issue - Action to be Taken*. If you have any questions or concerns with respect to these procedures, you should contact the Company's Registrar and Transfer Agent, CIBC Trust And Merchant Bank (Barbados) Limited at 1-866-470-3242 for calls originating outside Barbados and at 246-367-2441 for local calls.

DIRECTORS' INTENTIONS

The Directors intend to take up all of their entitlements to New Shares under this Rights Issue, subject to appropriate arrangements being made in relation to such entitlements where a Director's interest is in a Non-Qualifying Jurisdiction.

I thank you in advance for your continued support of the Company.

Yours sincerely



Michael Mansoor
President and Chief Executive Officer
CIBC West Indies Holdings Limited

PART II: DEFINITIONS

In this document (except Parts IX-XIII) the following terms have the following meanings:

“Articles”	The articles of incorporation (as amended) of the Company
“Auditors”	PricewaterhouseCoopers
“Bankers to the Rights Issue”	The bankers to the Rights Issue whose names and addresses are set out in <i>Part V: Corporate Information</i>
“Barclays”	Barclays Bank PLC
“Barclays Caribbean Banking Operations”	The Barclays Caribbean retail, corporate and offshore banking operations, including members of the Barclays Caribbean Group, in Anguilla, Antigua and Barbuda, The Bahamas, Barbados, Belize, British Virgin Islands, the Cayman Islands, Dominica, Grenada, the Netherlands Antilles, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines and the Turks and Caicos Islands
“Barclays Caribbean Group”	Barclays Finance Corporation (Bahamas) Limited, Barclays (Nassau) Nominees Company Limited, Barclays Finance Corporation of Barbados Limited, Barclays Finance Corporation of the Cayman Islands Limited, Barclays Finance Corporation of the Leeward & Windward Islands Limited, Grays Inn Limited and Palmer Corporation N.V.
“Business Day”	A day (other than a Saturday or Sunday or public holiday) on which banks generally are open in Barbados for the transaction of normal banking business
“CIBC Bahamas”	CIBC Bahamas Limited, to be renamed FirstCaribbean International Bank (Bahamas) Limited on completion of the Combination
“CIBC Bank and Trust”	CIBC Bank and Trust Company (Cayman) Limited
“CIBC Canada”	Canadian Imperial Bank of Commerce
“CIBC Capital Contribution”	The proposed contribution by CIBC Holdings, as part of the Combination, of US\$205,000,000 to the Company in exchange for 195,010,625 Shares
“CIBC Caribbean Group”	The Company and its subsidiaries at Completion Day, namely CIBC West Indies Offshore Banking Corporation, CIBC Bahamas Limited, CIBC Jamaica Limited, CIBC Caribbean Limited, CIBC Trust and Merchant Bank Jamaica Limited, CIBC Building Society Limited, Warrens Business Complex Ltd., CIBC Land Holdings (TCI) Limited, CIBC Trust And Merchant Bank (Barbados) Limited and CIBC Cayman Limited
“CIBC Cayman”	CIBC Cayman Limited, a new subsidiary of the Company in the Cayman Islands that, as part of the restructuring of the CIBC Caribbean Group’s operations in the Cayman Islands prior to Completion Day acquired, the retail and commercial banking business previously carried on by CIBC Bank and Trust, and is to be renamed FirstCaribbean International Bank (Cayman) Limited on completion of the Combination

“CIBC Holdings”	The wholly owned subsidiary of CIBC Canada which is a shareholder of the Company and a party, either as the original party or assignee, to agreements implementing the Combination
“CIBC Jamaica”	CIBC Jamaica Limited, to be renamed FirstCaribbean International Bank (Jamaica) Limited on completion of the Combination
“CIBC Opcos”	The operating subsidiaries of the Company in Barbados, The Bahamas and the Cayman Islands, namely CIBC Caribbean Limited, CIBC West Indies Offshore Banking Corporation, CIBC Bahamas and CIBC Cayman
“Combination”	The combination of the Caribbean retail, corporate and offshore banking operations of the Company and its subsidiaries with the Barclays Caribbean Banking Operations to create FirstCaribbean International Bank as described in <i>Part III: Summary of the Combination</i>
“Company” or “FirstCaribbean”	CIBC West Indies Holdings Limited, to be renamed FirstCaribbean International Bank Limited on completion of the Combination
“Completion Day”	The date of completion of the Combination
“Directors”	The directors of the Company
“Employee Stock Award”	The employee stock award being established by the Company for the benefit of employees of the FirstCaribbean Group
“Employee Stock Award Shares”	Shares to be issued pursuant to the Employee Stock Award
“Ernst & Young”	Ernst & Young Corporate Finance Inc.
“Excess Shares”	New Shares (including fractional entitlements thereto), out of the maximum 58,674,509 New Shares that can be issued under the Rights Issue, that have not been taken up under the Rights Issue
“Exchanges”	The Barbados Stock Exchange, the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange
“Expiry Date”	The last date on which New Shares can be subscribed for under the Rights Issue
“Fairness Committee”	The committee of independent members of the Board constituted by the Board to review the fairness of the Combination from the specific perspective of the minority shareholders of the Company
“FirstCaribbean Directors” or “FirstCaribbean Board”	The proposed board of directors of FirstCaribbean set out in <i>Part VI: Group History and Profile – FirstCaribbean</i>
“FirstCaribbean Group” or “Group”	FirstCaribbean and the subsidiaries of FirstCaribbean immediately following completion of the Combination, as set out in <i>Part VI: Group History and Profile – FirstCaribbean</i>
“Lawyers to the Rights Issue”	The lawyers to the Rights Issue, as set out in <i>Part V: Corporate Information</i>

“New Shares”	Shares to be allotted and issued in connection with the Rights Issue
“Non-Qualifying Jurisdictions”	Jurisdictions other than the Qualifying Jurisdictions
“Non-Qualifying Shareholders”	Holders of Shares on the Record Date other than the Qualifying Shareholders
“Non-Voting Shares”	Non-voting class A shares without nominal value in the capital of the Company to be allotted and issued to Barclays, as fully paid and non-assessable shares, in connection with the Combination, further details of which are contained in the Proxy Circular
“Preference Shares”	Preference shares of no par value in the capital of the Company to be allotted and issued, as fully paid and non-assessable shares, to Barclays in connection with the Combination, further details of which are contained in the Proxy Circular
“Provisional Allotment Letter”	The provisional letter of allotment in respect of New Shares
“Proxy Circular”	The proxy circular which describes the matters to be voted on at the Special Meeting of the Company to be held on September 18, 2002 and how to cast votes on such matters
“Qualifying Jurisdictions”	Antigua and Barbuda, The Bahamas, Barbados, the Cayman Islands, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago and the Turks and Caicos Islands
“Qualifying Shareholders”	Holders of Shares of record on the Record Date with an address of record in a Qualifying Jurisdiction
“Record Date”	The record date for the Rights Issue, being at least 5 Business Days prior to Completion Day
“Registrar and Transfer Agent”	The registrar and transfer agent whose name and address is set out in <i>Part V: Corporate Information</i>
“Rights”	Rights to subscribe for New Shares at the Subscription Price in accordance with the terms and conditions of the Rights Issue described in this Offering Circular
“Rights Issue”	The issue to each Qualifying Shareholder of one Right for each Share held, where twelve Rights entitle the holder to subscribe for five New Shares at the Subscription Price on or before 5.00 p.m. on the Expiry Date and fractional entitlements will be rounded down to the nearest whole New Share
“Selling Agents”	The selling agents whose names and addresses are set out in <i>Part V: Corporate Information</i>
“Shares”	Common shares without nominal value in the capital of the Company, allotted and issued or to be allotted and issued, as fully paid and non-assessable shares

“Subscription Price”	US\$1.05 (unless the subscriber’s address of record is in The Bahamas, in which case it is 1.05 Bahamian Dollars) or its equivalent in BBD\$, KYD\$, JMD\$, TTD\$ or XCD\$ as at the latest practicable date prior to the despatch of the Provisional Allotment Letters as determined by the Company, as set out in <i>Part IV: Details of the Rights Issue – Action to be taken</i>
“UBS Warburg”	UBS Warburg LLC
“UBSW Fairness Opinion”	The fairness opinion delivered by UBS Warburg included in <i>Part IX: Fairness Opinions</i>

PART III: SUMMARY OF THE COMBINATION

The Combination will bring together the Caribbean retail, corporate and offshore banking operations of the Company and its subsidiaries with the Barclays Caribbean Banking Operations to create FirstCaribbean International Bank.

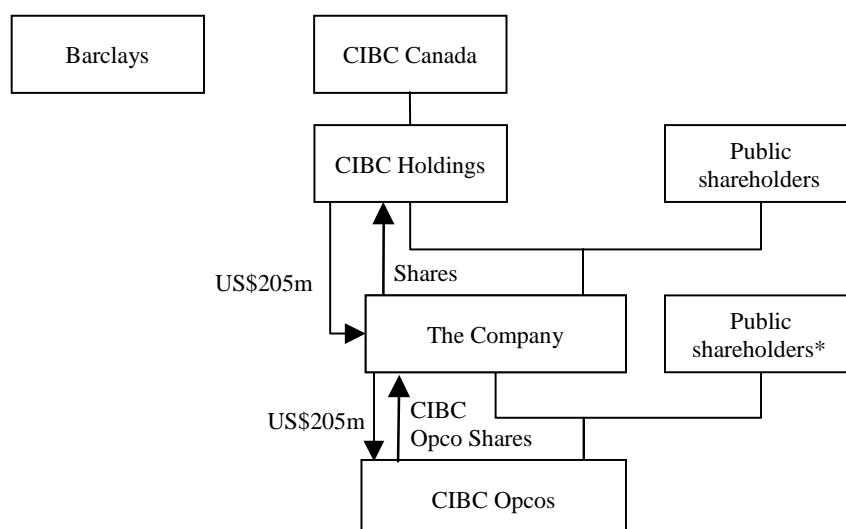
Implementation of the Combination is subject to, among other things, receipt of certain approvals from government, regulatory and tax authorities, as well as approvals by shareholders of the Company of certain corporate changes to the Company. Other conditions relate to there being no material adverse change or effect, pre-completion restructuring by the CIBC Caribbean Group in the Cayman Islands, certain minimum financial obligations being met on a group basis, the execution of ancillary agreements, and there being no material breach of warranty given in connection with the Combination. There is no guarantee that such conditions will be satisfied or waived or that the Combination will proceed. The Rights Issue is conditional upon completion of the Combination and the listing of the New Shares on the Exchanges. Therefore, if the Combination does not proceed, the Rights Issue will not proceed. The Company reserves the right to waive conditions.

This summary lists the three principal steps of the proposed Combination.

1. CIBC CAPITAL CONTRIBUTION

CIBC Holdings currently owns 470,990,742 Shares, representing approximately 77% of the total Shares in issue, with the remaining approximately 23% of the Shares being publicly owned. By private placement, CIBC Holdings will contribute a further US\$205,000,000 of capital to the Company in exchange for 195,010,625 Shares, so that CIBC Holdings will hold a total of 666,001,367 Shares. Each Share issued to CIBC Holdings will be subscribed for at US\$1.05. The Company will apply the CIBC Capital Contribution to subscribe for additional shares of the CIBC Opcos with a view to ensuring their adequate capitalisation in accordance with the relevant banking regulations.

Step 1 – CIBC Capital Contribution



* CIBC Bahamas only.

2. BARCLAYS BUSINESS EXCHANGED FOR SHARES IN OPERATING SUBSIDIARIES

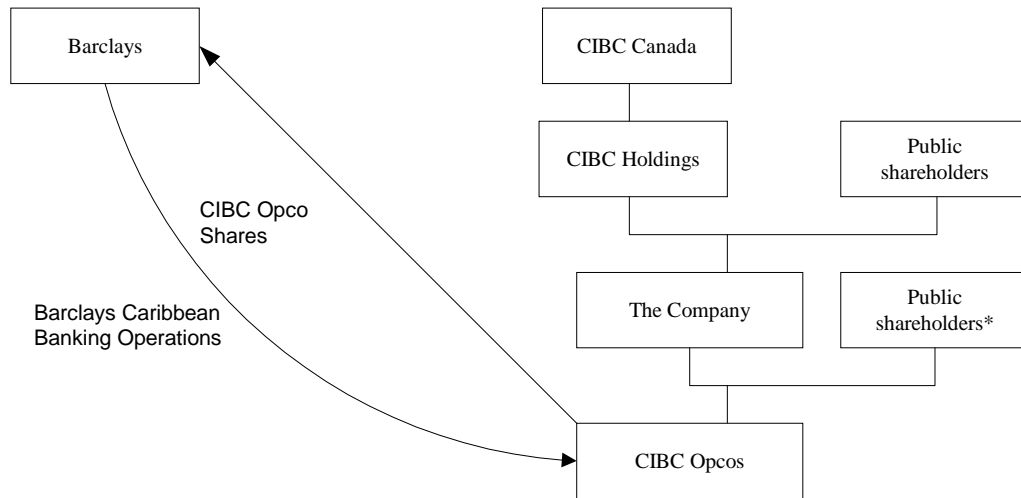
The Barclays Caribbean Banking Operations are to be transferred to the operating subsidiaries of the Company in Barbados, The Bahamas and the Cayman Islands (collectively, the “CIBC Opcos”) in exchange for shares of the CIBC Opcos. Specifically:

- (a) the Barclays Caribbean Banking Operations (including members of the Barclays Caribbean Group) in Anguilla, Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines will be transferred to and consolidated into the retail, corporate and offshore banking operations of CIBC Caribbean Limited, except that the Barclays Barbados offshore banking operations will be transferred to CIBC West Indies Offshore Banking Corporation;
- (b) the Barclays Caribbean Banking Operations (including members of the Barclays Caribbean Group) in The Bahamas and the Turks and Caicos Islands will be transferred to and consolidated into the retail, corporate and offshore banking operations of CIBC Bahamas; and
- (c) the Barclays Caribbean Banking Operations (including members of the Barclays Caribbean Group) in the Cayman Islands, the British Virgin Islands and the Netherlands Antilles will be transferred to and consolidated into the retail, corporate and offshore banking operations of CIBC Cayman. Prior to this transfer, the current banking operations of the CIBC Caribbean Group in the Cayman Islands will have been restructured. The Company’s former operating subsidiary in the Cayman Islands, CIBC Bank and Trust, had two classes of shares: A shares and B shares. The A shares, which were held by CIBC Holdings, represented the economic interests of the wealth management business of CIBC Bank and Trust. The B shares, which were held by the Company, represented the economic interests of the retail and commercial banking business of CIBC Bank and Trust. As part of the Cayman restructuring, the retail and commercial banking business of CIBC Bank and Trust was transferred to CIBC Cayman and retained within the Group. The B shares of CIBC Bank and Trust were repurchased for cash at fair market value, so that CIBC Bank and Trust, now containing only its wealth management business (which is excluded from the Combination), is a wholly-owned subsidiary of CIBC Holdings.

There will be no change to the direct ownership of CIBC Jamaica as a result of the Combination and no transfer of business to CIBC Jamaica as part of the Combination.

The terms of the Combination anticipate simultaneous completion in all jurisdictions, but contain provisions for delayed implementation in certain jurisdictions, involving the management of the relevant business or its disposal to the benefit of the purchaser should this prove necessary.

Step 2 - Barclays Caribbean Banking Operations Transferred to CIBC Opcos in Exchange for Shares in CIBC Opcos



* CIBC Bahamas only

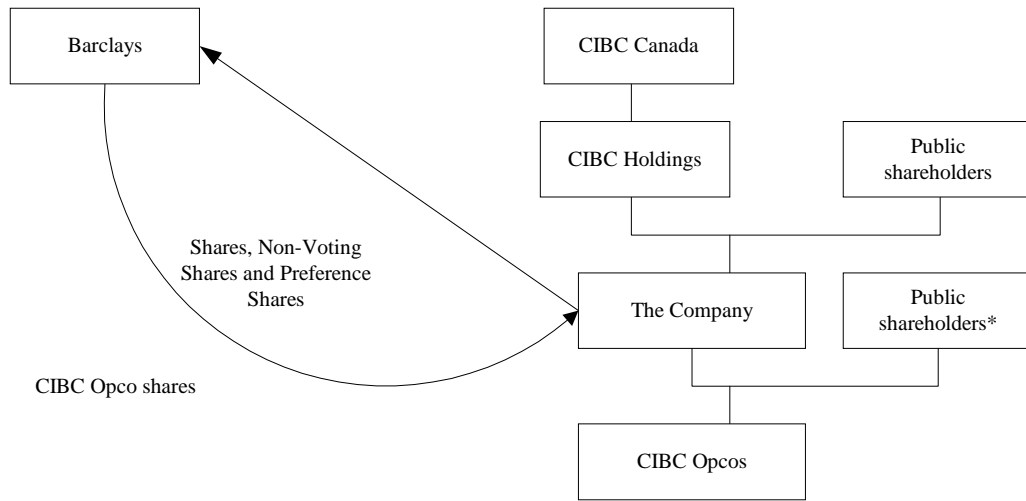
3. BARCLAYS SHARE-FOR-SHARE EXCHANGE

In anticipation of the acquisition by Barclays of shares in the CIBC Opcos as described in Step 2 above and to ensure that, if either the Company or Barclays so elects, Barclays will ultimately hold an interest in the CIBC Opcos indirectly as a holder of shares in the Company, the Company and Barclays have granted each other mutual options. The Company has granted Barclays options to sell all its shares in the CIBC Opcos to the Company, and Barclays has granted the Company options to buy such shares, in each case in consideration for the issue to Barclays of Shares, Non-Voting Shares and Preference Shares in the Company.

If either Barclays or the Company exercises its options, which is expected as part of completion of the Combination, Barclays will exchange its shares in the CIBC Opcos for 666,001,367 Shares, 24,685,024 Non-Voting Shares and 180,000,000 Preference Shares in the Company.

Following the exercise of Barclays or the Company’s options, completion of the proposed Combination and the issue of Shares pursuant to the Employee Stock Award, CIBC Holdings and Barclays will each hold 666,001,367 Shares of the Company, each representing approximately 45.0% of the total Shares in issue, with the remaining approximately 10.0% of the Shares in issue being publicly owned.

Step 3 – Barclays Share for Share Exchange



* CIBC Bahamas only

On or around Completion Day, the Company will issue 6,048,757 Shares from treasury to a trustee under the terms of the Employee Stock Award.

PART IV: DETAILS OF THE RIGHTS ISSUE

1. INTRODUCTION

Under the Rights Issue the Company proposes to grant to Qualifying Shareholders Rights to subscribe for New Shares. Qualifying Shareholders will receive one Right for each Share held on the Record Date. Twelve Rights will entitle holders to subscribe for five New Shares at the Subscription Price on or before 5.00 p.m. on the Expiry Date. Fractional entitlements will be rounded down to the nearest whole New Share. **The Rights Issue is conditional on completion of the Combination and the listing of the New Shares on the Exchanges.** The Company reserves the right to waive conditions.

2. RANKING OF NEW SHARES

The New Shares will, when issued and fully paid, rank pari passu in all respects with the Shares in issue, including the right to all dividends and other distributions declared or paid thereafter, save that they will not rank for any dividend declared or paid prior to completion of the Combination. Under the terms of the Combination any excess regulatory capital in the CIBC Caribbean Group that can be extracted will be paid out by way of dividend declared prior to completion of the Combination. As a consequence a dividend may be declared on the Shares prior to the completion of the Combination. The New Shares will not carry the right to participate in any such dividend.

3. SHAREHOLDINGS FOLLOWING THE RIGHTS ISSUE

Pursuant to the Rights Issue, a maximum of 58,674,509 New Shares may be issued. Following the Rights Issue, if all such New Shares are issued, CIBC Holdings and Barclays will each continue to hold 666,001,367 Shares, each now representing approximately 43.3% of the total Shares in issue, with the remaining approximately 13.4% of the Shares being publicly owned. This maximum number excludes any New Shares for which CIBC Canada or its subsidiaries might otherwise have been entitled to subscribe had they not agreed to forgo receipt of any Rights. *The Table below sets out details of the ownership of Shares, assuming the full exercise of Rights under the Rights Issue.*

Table: Common Share Ownership in the Company

Ownership of Shares before the Combination and the Rights Issue	Shares	Percentage
CIBC Holdings	470,990,742	77.0%
Public Shareholders	<u>140,818,821</u>	<u>23.0%</u>
Total	<u>611,809,563</u>	<u>100%</u>
Ownership of Shares after the Combination but before the Rights Issue, including Employee Stock Award Shares	Shares	Percentage
Barclays	666,001,367	45.0%
CIBC Holdings	666,001,367	45.0%
Public Shareholders, including Employee Stock Award Shares	<u>146,867,578</u>	<u>10.0%</u>
Total	<u>1,478,870,312</u>	<u>100%</u>
Pro forma Share ownership if the Rights Issue is fully subscribed, including Employee Stock Award Shares	Shares	Percentage
Barclays	666,001,367	43.3%
CIBC Holdings	666,001,367	43.3%
Public Shareholders, including Employee Stock Award Shares	<u>205,542,087</u>	<u>13.4%</u>
Total	<u>1,537,544,821</u>	<u>100%</u>

CIBC Bahamas is also proposing to effect a rights issue, conditional upon completion of the Combination. The Company has agreed that it will not be entitled to receive any rights or to subscribe for shares under the CIBC Bahamas rights issue. It is expected that up to 3,000,000 shares in CIBC Bahamas will be offered to public shareholders under the proposed CIBC Bahamas rights issue. This maximum number excludes any shares for which the Company or its subsidiaries might otherwise have been entitled to subscribe had they not agreed to forgo receipt of any rights under the CIBC Bahamas rights issue.

4. ACTION TO BE TAKEN

Following completion of the Combination, it is expected that Provisional Allotment Letters setting out entitlements to New Shares under the Rights Issue will be dispatched by post to Qualifying Shareholders within five Business Days after the Completion Day.

Qualifying Shareholders may:

- accept all or part of their entitlement to subscribe for New Shares (see section (a) below); or
- transfer the whole of their entitlement to subscribe for New Shares to another person. This is done by renouncing the Provisional Allotment Letter. The procedure for renunciation is summarised in section (b) below; or
- transfer the whole of their entitlement to subscribe for New Shares to different persons. This is done by either (i) renouncing the Provisional Allotment Letter in favour of different persons; or (ii) first splitting the Provisional Allotment Letter (the procedure for splitting is summarised in section (c) below), followed by renunciation of the split Provisional Allotment Letters in accordance with the procedure summarised in section (b) below; or

- accept only part of their entitlement to subscribe for New Shares and transfer the rest to different persons. This is also done by either (i) renouncing the Provisional Allotment Letter in favour of different persons; or (ii) splitting the Provisional Allotment Letter, as summarised in section (c) below, followed by renunciation of the Provisional Allotment Letter(s) representing the entitlements to be transferred as summarised in section (b) below and acceptance of the balance in accordance with the procedure summarised in section (a) below.

Qualifying Shareholders (or their renounees – see section (b) below) who accept all of their entitlement, may also apply to subscribe for Excess Shares. The procedure for applying for Excess Shares is summarised in section (d) below. There is no guarantee that Excess Shares will be available or that any application for Excess Shares will be successful.

Each Provisional Allotment Letter will set out the procedures for acceptance and payment, splitting, transfer by renunciation and applying for Excess Shares.

If you have any questions or concerns with respect to these procedures, you should contact CIBC Trust And Merchant Bank (Barbados) Limited at 1-866-470-3242 for calls originating outside Barbados and at 246-367-2441 for local calls.

(a) Acceptance

Qualifying Shareholders (or their renounees - see section (b) below) wishing to take up their entitlement, in whole or in part, must:

- complete, sign and return (in accordance with the instructions on that form):
 - the Provisional Allotment Letter; and
 - *Form 1 - Form of Acceptance*; and
- remit the full amount payable on acceptance,

to one of the Selling Agents by post or, during normal business hours, by hand, so as to arrive not later than 5.00 p.m. on the Expiry Date.

If this is not done, any entitlement to New Shares will lapse.

Qualifying Shareholders or their renounees are responsible for obtaining any governmental or other approvals that they may require in order to take up their entitlement.

(b) Procedure for transfer by renunciation

To renounce a Provisional Allotment Letter in whole or in part, the Qualifying Shareholder must:

- complete and sign *Form 2 – Form of Renunciation* in accordance with the instructions on that form; and
- deliver (but not in or into any jurisdiction other than a Qualifying Jurisdiction) the entire Provisional Allotment Letter to the person(s) to whom the entitlement is being transferred (the “renounee”) or its agent(s).

(c) Procedure for splitting

To split the Provisional Allotment Letter, the Qualifying Shareholder must:

- complete and sign Form 2 in accordance with the instructions on that form:
 - requesting that the original Provisional Allotment Letter be cancelled and exchanged for the split Provisional Allotment Letters required; and
 - stating the number of split Provisional Allotment Letters required and the number of New Shares to be comprised in each split Provisional Allotment Letter; and
- deliver the original Provisional Allotment Letter (including Form 2), to one of the Selling Agents by post or, during normal business hours, by hand, so as to arrive not later than 5.00 p.m. on the eighth Business Day prior to the Expiry Date. Regardless of whether these documents are delivered prior to the expiry date for splitting, the Company and its agents are under no obligation to deliver split Provisional Allotment Letters in a timely manner, and therefore a Qualifying Shareholder may not receive split Provisional Allotment Letters prior to the Expiry Date, meaning that such Qualifying Shareholder's entitlement may lapse.

The split Provisional Allotment Letters will be issued marked "original split" and returned to the Qualifying Shareholder. They may then be either:

- completed, signed and returned for acceptance and payment, as set out in section (a) above; or
- transferred by renunciation, as set out in section (b) above.

(d) Excess Shares

New Shares (including fractional entitlements thereto) that have not been taken up are defined as Excess Shares.

Any Qualifying Shareholder (or renounee - see section (b) above) who takes up his entire entitlement to New Shares may also apply to subscribe for Excess Shares at the Subscription Price. There is no guarantee that Excess Shares will be available or that any application for Excess Shares will be successful.

(i) Procedure for Application for Excess Shares

The procedure for applying for Excess Shares is as follows.

The Qualifying Shareholder or renounee must:

- complete and sign *Form 3 – Application to subscribe for Excess Shares* in accordance with the instructions on that form; and
- return Form 3 together with the Provisional Allotment Letter and remittance for the full amount payable for the maximum number of Excess Shares applied for,

to one of the Selling Agents by post or, during normal business hours, by hand, so as to arrive not later than 5.00 p.m. on the Expiry Date.

If this is not done, any entitlement to Excess Shares will lapse.

As soon as practicable after the Expiry Date, each applicant for Excess Shares will be sent a notice specifying (1) the number of Excess Shares that the applicant wished to apply for and the number of Excess Shares to be allocated to the applicant pursuant to this Rights Issue and (2) the aggregate Subscription Price of such Excess Shares and any subscription funds in excess of such aggregate Subscription Price which are to be returned as described below.

(ii) ***Allotment of Excess Shares***

The Excess Shares will be allotted among applicants on a pro rata basis. The number of Excess Shares allocated to each applicant for Excess Shares will be the lesser of:

- the number of Excess Shares for which such applicant has applied; and
- the product (disregarding fractions) of the following formula:

$$A \times \frac{B}{C}$$

where:

A = the aggregate number of Excess Shares,

B = the number of New Shares validly applied for by such applicant, and

C = the aggregate number of New Shares validly applied for by all persons applying to subscribe for Excess Shares.

Any remaining Excess Shares shall be allocated among all applicants who have not been allocated all Excess Shares for which they applied as nearly as practicable pro rata in accordance with the above formula as the Directors may determine, until there are no further Excess Shares to allocate or all applications have been satisfied in full.

(iii) ***Funds received pending allocation of Excess Shares***

Subscription funds in respect of Excess Shares will be placed in a segregated account pending allocation of the Excess Shares, if any, in the manner described above, and any subscription funds in excess of the aggregate Subscription Price of such additional allocations shall be returned by mail without interest or deduction as soon as reasonably practicable.

(e) Payment

The Subscription Price for each New Share (including each Excess Share) is US\$1.05 (unless the subscriber's address of record is in The Bahamas, in which case it is 1.05 Bahamian Dollars) or, as an alternative choice, if the subscriber's address of record is in any of the following jurisdictions, the equivalent amount in the relevant currency set out opposite in accordance with the exchange rates to be notified in the Provisional Allotment Letters (being the relevant exchange rates as determined by the Company at the latest practicable date prior to the despatch of the Provisional Allotment Letters):

Jurisdiction	Currency
Barbados	BBD\$
The Cayman Islands	KYD\$
Jamaica	JMD\$
Trinidad and Tobago	TTD\$
Eastern Caribbean Countries: Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines	XCD\$

Cheques or banker's drafts should be made payable to "CIBC Trust - CIBCWI Rights Issue". Cheques or banker's drafts will be presented for payment upon receipt. The Directors reserve the right to make special presentation of cheques to allow the Company to obtain value for remittances at the earliest opportunity. It is a term of the Rights Issue that cheques shall be honoured at first presentation and the Company may elect not to treat as valid applications for New Shares (or applications for Excess Shares) in respect of which cheques are not so honoured.

5. NON-QUALIFYING JURISDICTIONS

This Offering Circular does not constitute an offer to sell or a solicitation of any offer to buy any securities in the United Kingdom, the United States of America, Canada, Australia, Japan or any other Non-Qualifying Jurisdiction. Accordingly, in any Non-Qualifying Jurisdiction this Offering Circular is for information purposes only. Pursuant to this Offering Circular, Rights and New Shares will only be offered to, and subscriptions will only be accepted from, persons with an address of record in a Qualifying Jurisdiction and persons without an address of record in a Qualifying Jurisdiction will not receive a Provisional Allotment Letter. Neither the Rights nor New Shares to be offered pursuant to this Offering Circular or the Provisional Allotment Letters have been or will be registered under the relevant securities laws of the United Kingdom, the United States of America, Canada, Australia, Japan or any other Non-Qualifying Jurisdiction and neither they nor the Provisional Allotment Letters may be offered, sold, renounced or delivered in, or into, these jurisdictions. Notwithstanding the foregoing, the Company reserves the right, in its absolute discretion and without liability, to treat any person as eligible or ineligible to participate in the Rights Issue or to make special arrangements to allow any person to participate in the Rights Issue.

The Registrar and Transfer Agent will attempt, on a reasonable efforts basis, to transfer the Rights of any Non-Qualifying Shareholder whom the Company deems ineligible to participate in the Rights Issue on a date or such dates and at a price or such prices as the Registrar and Transfer Agent determines in its sole discretion. The Registrar and Transfer Agent's ability to assign Rights, and the prices obtained for the Rights, are dependent on a market for such Rights, if any, and on market conditions. The Registrar and Transfer Agent shall not be subject to any liability for failure to transfer any Rights at any particular price or prices, or at all. The proceeds of sale in respect of any such Rights received by the Registrar and Transfer Agent, net of any applicable costs and expenses, will be divided among the Non-Qualifying Shareholders whom the Company deems ineligible to participate in the Rights Issue pro rata according to the number of Shares held by each of them as of the Record Date. The Registrar and Transfer Agent will mail cheques to Non-Qualifying Shareholders at their risk at their addresses of record in the Non-Qualifying Jurisdictions for their respective proportions of those net proceeds, subject to any applicable taxes which must be withheld for particular Non-Qualifying Shareholders. No proceeds of sale (net of any applicable costs, expenses and taxes) below US\$5.00 will be distributed.

Brokers, dealers and other intermediaries may not deliver Provisional Allotment Letters and the accompanying forms to Non-Qualifying Shareholders. Instead, brokers, dealers and other intermediaries should deliver such Rights to the Registrar and Transfer Agent who will attempt to transfer such Rights in accordance with the procedures outlined above.

6. OTHER MATTERS

(a) Expiry of Provisional Allotment Letters

After the Expiry Date, Provisional Allotment Letters will cease to be valid for any purpose whatsoever.

(b) Validity and Rejection of Subscriptions

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription or application for Excess Shares will be determined by the Company in its sole discretion, whose determination shall be final and binding. All subscriptions are irrevocable.

The Company reserves the absolute right to accept any subscription, application, form or Provisional Allotment Letter as valid and binding even if not in proper form, not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney or by evidence of satisfactory authority where required.

The Company reserves the absolute right to reject any subscription, application, form or Provisional Allotment Letter if not in proper form, not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney or by evidence of satisfactory authority where required, or if the acceptance thereof or the allotment or issue of New Shares would in the opinion of the Company be unlawful.

(c) Share Certificates

Definitive share certificates representing the New Shares are expected to be sent by post within 30 Business Days after Completion Day to the persons entitled thereto. Share certificates will not be mailed to addresses outside the Qualifying Jurisdictions.

(d) Signatures

Any form must be signed by the person(s) named on the form. If a form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any other person acting in a fiduciary or representative capacity, the form should be accompanied by evidence of authority satisfactory to the Company and/or the Registrar and Transfer Agent.

(e) Posting

All documents, banker's drafts and cheques posted to or by the persons entitled thereto (or their agents, as appropriate) will be posted at their risk. The Company accepts no liability for the failure of any documents to reach any person in a timely manner or at all.

(f) Representations, Warranties and Agreements

Each subscriber (including a renounee) for New Shares (including Excess Shares) or renounee of Rights:

1. warrants and represents that any money laundering laws or regulations applicable to such subscriber or renounee or the Company have not been and will not be violated by virtue of any action taken by the subscriber or renounee in relation to this Rights Issue;
2. warrants and represents that the accompanying payment, if any, will be honoured on first presentation;
3. warrants and represents that the subscription or renunciation and any action taken by the subscriber or renounee relevant to such subscriber or renounee in connection with the Rights Issue does not violate any laws or regulations relevant to such subscriber or renounee or the Company;
4. warrants and represents that any subscription or renunciation has been properly authorized and all necessary action has been taken by the subscriber or renounee;
5. in the case of each request for the splitting of a Provisional Allotment Letter, agrees that the Company and its agents are under no obligation to deliver split Provisional Allotment Letters in a timely manner, and therefore a Qualifying Shareholder may not receive split Provisional Allotment Letters prior to the Expiry Date, meaning that such Qualifying Shareholder's entitlement may lapse;
6. in the case of each applicant for Excess Shares, agrees that any payment for any subscription for Excess Shares will be delivered forthwith by the applicant once the

7. applicant receives a letter setting out the number of Excess Shares agreed to be subscribed by and issued to such applicant pursuant to the Rights Issue;
8. agrees that the Laws of Barbados apply to the Rights Issue and submits to the jurisdiction of the Barbadian courts;
9. agrees that no receipts for monies submitted will be issued; and
10. agrees that no interest will be paid on refunds of monies submitted.

(g) Originals

Each Provisional Allotment Letter (including split Provisional Allotment Letters), *Form 1 – Letter of Acceptance*, *Form 2 – Form of Renunciation* and *Form 3 – Applications for Excess Shares* will be an original document with a number on the top left hand corner. Only these original documents will be accepted. Photocopies will not be accepted.

(h) Fees and Expenses

The fees and expenses of the Registrar and Transfer Agent, Sub-Registrars and the Selling Agents are in aggregate US\$1,232,165.

(i) Governing Law

The terms and conditions of the Rights Issue as set out in this document, the Provisional Allotment Letters and accompanying forms shall be governed by and construed in accordance with the laws of Barbados.

(j) Exchange Control, Tax and Other Matters

It is the responsibility of each subscriber for New Shares to seek appropriate taxation, legal or other professional advice if necessary, and to comply with any exchange control or other legal requirements relating to their subscription or application.

PART V: CORPORATE INFORMATION

CIBC WEST INDIES HOLDINGS LIMITED

(Incorporated with limited liability in Barbados)

Directors

Jacqueline Beaurivage, Senior Vice President, Integration, Canadian Imperial Bank of Commerce

John Breen, President and CEO, CIBC Offshore Banking Services Corporation; Senior Vice President, Canadian Imperial Bank of Commerce

Sir Fred Gollop, Attorney-at-Law and Chairman, Nation Media Group

Ron Lalonde, Senior Executive Vice President, Canadian Imperial Bank of Commerce

Michael Mansoor, President and Chief Executive Officer, CIBC West Indies Holdings Limited; Senior Vice President, Canadian Imperial Bank of Commerce

Kyffin Simpson, Chairman, Simpson Motors Limited

Mark Strang, Vice President, Legal and Compliance, CIBC West Indies Holdings

Richard Venn, Senior Executive Vice President, Corporate Development, Canadian Imperial Bank of Commerce

Officers

Michael Mansoor, President and Chief Executive Officer

Jacqueline Beaurivage, Senior Vice President, Integration

Joseph Barretto, Vice President, Operations and Technology and Chief Information Officer

Mark Strang, Vice President, Legal and Compliance

John Riviere, Vice President, Chief Financial Officer

Raymond Campbell, Vice President, Commercial Clients and Corporate Affairs, Jamaica

Tom Crawford, Vice President, Commercial Clients and Retail Business, Cayman

Horace Cobham, Vice President, Commercial Clients and Corporate Affairs, Barbados & OECS

Terence Hiltz, Vice President, Branch Banking and Corporate Affairs, The Bahamas and Turks and Caicos Islands

Walter Wells, Vice President, Commercial Clients, The Bahamas and Turks and Caicos Islands

Richard Fisher, Director, Branch Banking, Barbados and OECS

Cecile Watson, Director, Branch Banking, Jamaica

Gerard Borely, General Manager, Finance

Philomena Lee, General Manager, Items Processing Services

Kim Moseley, General Manager, Marketing and Communications

Michael Nerfa, General Manager, Credit Risk Management

Derek Wilson, General Manager, Projects

Sharon Gibbs, General Manager, Operations

Company Secretary

Natalie Holder

Auditors

PricewaterhouseCoopers

PricewaterhouseCoopers has acted and continues to act as Auditor for both the Company and for the Barclays group.

PricewaterhouseCoopers has also provided non-audit services in connection with the Combination. These included tax, project management and other general consulting.

Lawyers to the Rights Issue

Chancery Chambers
Chancery House
High Street
Bridgetown
Barbados

Fitzwilliam, Stone,
Furness-Smith and Morgan
48-50 Sackville Street
Port of Spain
Trinidad and Tobago

Dunn, Cox, Orrett and
Ashenheim
P.O. Box 365
48 Duke Street
Kingston
Jamaica

Lake & Kentish
P.O. Box 512
St. Johns
Antigua

Aleck Lawrence Chambers
Long Lane/Hodges Lane
Roseau
Dominica

Henry, Henry & Bristol
4 and 6 Lucas Street
P.O. Box 386 St. Georges
Grenada

Kelsick, Wilkin &
Ferdinand Chambers
Independence Square
South Basseterre
St. Kitts and Nevis

Nicholas John & Co
Castries
46 Micoud Street
St. Lucia

Phillips & Williams
P.O. Box 262
Kingstown
St. Vincent and the Grenadines

Miller Simons O'Sullivan
Butterfield Square
P.O. Box 260
Providenciales
Turks and Caicos Islands

Harry B Sands, Lobosky and
Company
P.O. Box No. N-624
Nassau
The Bahamas

Boxalls
P.O. Box 1234
Queensgate House
South Church Street
George Town
Grand Cayman
Cayman Islands

**Registrar and Transfer
Agent**

CIBC Trust And Merchant
Bank (Barbados) Limited
4th Floor
CIBC Centre
Warrens
St. Michael
Barbados

**Sub-Registrars and
Transfer Agents**

Antigua

CIBC Caribbean Limited
High Street & Corn Alley
St. Johns

Jamaica

CIBC Trust and Merchant
Bank Jamaica Limited
23-27 Knutsford Boulevard
Kingston

St. Lucia

CIBC Caribbean Limited
William Peter Blvd
Castries

St. Vincent

CIBC Caribbean Limited
Halifax Street
Kingstown

Trinidad and Tobago

Republic Finance & Merchant
Bank Ltd (FINCOR)
9-17 Park Street
Port of Spain

**Bankers to the Rights
Issue**

CIBC Caribbean Limited
Broad Street
Bridgetown
Barbados

CIBC Jamaica Limited
23-27 Knutsford Boulevard
Kingston
Jamaica

CIBC Caribbean Limited
William Peter Blvd
Castries
St. Lucia

CIBC Caribbean Limited
Halifax Street
Kingstown
St. Vincent

CIBC Caribbean Limited
High Street & Corn Alley
St. Johns
Antigua

Republic Bank Limited
9-17 Park Street
Port of Spain
Trinidad

Selling Agents

Antigua and Barbuda

All branches of CIBC Caribbean Limited
Tel: 268-462-0836

Barclays Bank PLC
High Street
St. Johns

Bahamas

CIBC Trust Company (Bahamas) Limited
First Floor - Goodman Bay Building
West Bay Street
P.O. Box N-3933
Nassau

All branches of CIBC Bahamas Limited
All branches of Barclays Bank PLC

Barbados

All branches of CIBC Caribbean Limited
Tel: 246-431-3700

All branches of Barclays Bank PLC
Tel: 246-431-5151

CIBC Trust And Merchant Bank (Barbados) Limited
CIBC Centre
Warrens, St. Michael
Tel: 246-367-2300

Royal Bank of Canada
Broad Street, Bridgetown
Tel: 246-467-4142

Caribbean Financial Services Corp.
Radley Court
Collymore Rock, St. Michael
Tel: 246-431-6408

CLICO Mortgage & Finance Co.
CL Duprey House
White Park, St. Michael
Tel: 246-431-4726

Cayman Islands

CIBC Bank and Trust Company (Cayman) Limited
George Town
Edward Street
Grand Cayman
Tel: 345-949-8666

All branches of Barclays Bank PLC

Dominica

Barclays Bank PLC
P.O. Box 4
Old Street
Roseau
Tel: 767-448-2571

Grenada

All branches of Barclays Bank PLC
Tel: 473-440-3232

Jamaica

All branches of CIBC Jamaica Limited
Tel: 876-929-9310

CIBC Trust and Merchant Bank Jamaica Limited
23-27 Knutsford Blvd.
Kingston 5
Tel: 876-929-9310

Barita Investments Ltd.
15 St. Lucia Way
Kingston
Tel: 876-926-2681

Edward Gayle & Company Ltd.
10-16 Arcada Way
Kingston
Tel: 876-960-7108

St. Kitts and Nevis

All branches of Barclays Bank PLC
Tel: 869-465-2449

St. Lucia

All branches of CIBC Caribbean Limited
Tel: 758-456-2422

All branches of Barclays Bank PLC

Barclays Finance Corporation of The Leeward & Windward
Islands Limited
Jeremie Street

St. Vincent and the Grenadines

CIBC Caribbean Limited
Halifax Street
Kingstown
Tel: 784-457-1587

Barclays Bank PLC
Halifax Street
Kingstown
Tel: 784-456-1706

Trinidad and Tobago

Republic Finance Merchant Bank Ltd (FINCOR)
9-17 Park Street
Port of Spain
Tel: 868-623-1056

West Indies Stockbrokers Limited
23A Chacon Street
Port of Spain
Tel: 868-625-4009

Trinidad and Tobago Stocks and Shares Limited
29 Chacon Street
Port of Spain
Tel: 868-623-5961

Bourse Securities Limited
86B Independence Square
Port of Spain
Tel: 868-623-0416

Reliance Stock Brokers
Mecalfab Building
Queen and Richmond Streets
Port of Spain
Tel: 868-623 3044/2055

Turks and Caicos Islands

CIBC Bahamas Limited
Leeward Highway
Providenciales
Tel: 649-946-5303

Registered Office

CIBC WEST INDIES HOLDINGS LIMITED

CIBC Building, Broad Street
Bridgetown, Barbados

**Offices and Branches of
the Company and its
subsidiaries**

Barbados

CIBC West Indies Holdings, CIBC Centre, Warrens
St. Michael

CIBC BAHAMAS LIMITED

Bahamas

Head Office, 308 East Bay Street, Nassau
Marsh Harbour, Abaco
Hope Town, Abaco
Man-O-War Cay, Abaco
The First Commercial Centre, East Mall Drive, Freeport
Queens Highway, Freeport
308 East Bay Street, Nassau
Cable Beach, Nassau
Madeira, Nassau
Marathon Mall, Nassau
Shirley Street, Nassau
Hurricane Hole, Paradise Island
JFK Branch, Nassau
CIBC Card Services Centre, Independence Drive, Nassau
Commercial Banking Centre, Shirley Street, Nassau
Business Banking Centre, Shirley Street, Nassau
CIBC Support Centre, Independence Drive, Nassau

Turks and Caicos Islands

Leeward Highway, Providenciales

CIBC CARIBBEAN LIMITED

Antigua and Barbuda

High Street & Corn Alley, St. Johns
Old Parham Road, St. Johns

Barbados

Head Office, CIBC Centre, Warrens, St. Michael
Broad Street, Bridgetown
Commercial Banking Centre, CIBC Centre, Warrens
Fontabelle, St. Michael
Oistins Shopping Centre, Oistins, Christ Church
Rock Dundo Shopping Plaza, Cave Hill, St. Michael
Sheraton Centre, Sheraton, Christ Church
Speightstown, St. Peter
Sunset Crest, Holetown, St. James
Worthing, Christ Church
CIBC Visa Centre, Cockspur House, Nile Street, Bridgetown
CIBC Loans & Mortgage & Investment Centre, Warrens, St. Michael

St. Lucia

William Peter Boulevard, Castries
Beanefield, Vieux Fort

St. Vincent and the Grenadines

Halifax Street, Kingstown

CIBC TRUST AND MERCHANT BANK (BARBADOS) LIMITED

CIBC Centre, Warrens, St. Michael, Barbados

CIBC JAMAICA LIMITED

Head Office, 23-27 Knutsford Boulevard, Kingston
Duke Street, Kingston
78 Half Way Tree Road, Kingston
1 King Street, Kingston
Manor Park Plaza, Kingston
Newport Centre, Newport West
Twin Gates Shopping Centre, Kingston
Park Crescent, Mandeville
50 Main Street, May Pen
59 St. James Street, Montego Bay
Ocean Village Shopping Centre, Ocho Rios
4 West Street, Port Antonio
Lluidas Vale, St. Ann's
CIBC Card Centre, King Street, Kingston

CIBC BUILDING SOCIETY

23-27 Knutsford Boulevard, Kingston

CIBC TRUST AND MERCHANT BANK JAMAICA LIMITED

23-27 Knutsford Boulevard, Kingston

CIBC CAYMAN LIMITED

54 Edward Street, Georgetown
Safehaven, West-Bay Road

**CIBC WEST INDIES OFFSHORE BANKING
CORPORATION**

CIBC Centre, Warrens, St. Michael, Barbados

WARRENS BUSINESS COMPLEX LTD.

CIBC Centre, Warrens, St. Michael, Barbados

CIBC LAND HOLDINGS (TCI) LIMITED

Leeward Highway, Providenciales

**Offices and Branches of
Barclays in the
Caribbean**

BARCLAYS BANK PLC

Caribbean Head Office

Caribbean and Bahamas Regional Office
Christ Church, Barbados

Anguilla

The Valley, Anguilla

Antigua

High Street, St. Johns

The Bahamas

Barclaycard Centre, Charlotte House, Shirley Street, Nassau
Offshore Banking Centre, Bay Street, Nassau
Thompson Blvd., Nassau
Palmdale, Madeira Street, Nassau
Town Centre Mall, Blue Hill Road, Nassau
Harbour Bay, East Bay Street, Nassau
Barclays Finance Corporation (Bahamas) Limited, Charlotte
House, Nassau
Pioneers Way, Freeport
Governor's Harbour, Eleuthera
Marsh Harbour, Abaco
New Plymouth, Green Turtle Cay

Barbados

Broad Street, Bridgetown
Offshore Banking Centre, Barclays House, Rendezvous, Christ
Church
Bridgetown Business Centre, Bridgetown
Speightstown, St. Peter
Sunset Crest, St. James
Trustee Branch, Broad Street, Bridgetown
Willey, St. Michael
Oistins, Christ Church
Barclays Finance Corporation of Barbados Ltd., Broad Street,
Bridgetown

Belize

21 Albert Street, Belize City
San Cas Plaza, Belcan Bridge, Belize City
Market Square, Belmopan
1 Commerce Street, Dangriga

British Virgin Islands

Road Town, Tortola
East End, Road Town, Tortola
The Valley, Virgin Gorda
Offshore Banking Centre, Road Town, Tortola

Barclays Finance Corporation Of The Cayman Islands Limited,
Barclays House, George Town, Cayman

Cayman Islands

Barclays House, George Town, Grand Cayman
Industrial Park, Grand Cayman
Offshore Banking Centre, Barclays House, George Town, Grand Cayman
Barclays Finance Corporation Of The Cayman Islands Limited,
Barclays House, George Town, Cayman

Dominica

Old Street, Roseau
Grandby Street, Portsmouth

Grenada

St. George's
Main Street, Hillsborough, Carriacou
Grand Anse, St. George's
Grenville, St. Andrews

Netherlands Antilles

19 Front Street, Phillipsburg, St. Maarten
Wilhelmina Straat, Oranjestad, St. Eustatius
Windward Side, Saba

Nevis

Charlestown

St. Kitts

The Circus, Basseterre

St. Lucia

Bridge Street, Castries
Rodney Bay Marina, Gros Islet
New Dock Road, Vieux Fort
Soufriere
Barclays Finance Corporation of The Leeward & Windward
Islands Limited
Jeremie Street

St. Vincent and the Grenadines

Halifax Street, Kingstown

Turks and Caicos Islands

Butterfield Square, Providenciales
Cockburn Town, Grand Turk
Cockburn Harbour, South Caicos
Offshore Banking Centre, Butterfield Square, Providenciales

PART VI: GROUP HISTORY AND PROFILE

1. THE CIBC CARIBBEAN GROUP

CIBC Canada is one of North America's leading financial institutions as measured by assets with more than eight million personal banking and business customers world-wide. CIBC Canada established operations in the Caribbean in 1920 and now has operations in Antigua and Barbuda, The Bahamas, Barbados, the Cayman Islands, Jamaica, St. Lucia, St. Vincent and the Grenadines and the Turks and Caicos Islands. The CIBC Caribbean Group employs approximately 1,600 staff serving 350,000 retail and commercial clients at 42 branches and offices in the Caribbean. During the last few years, CIBC Canada has reorganised all of its retail banking operations in the Caribbean under the umbrella of the Company and the CIBC Caribbean Group. For the CIBC Caribbean Group, net income was US\$67.8 million and total assets were US\$4.6 billion for the year ended October 31, 2001 and net income was US\$27.4 million and total assets were US\$4.5 billion for the six month period ended April 30, 2002. These results include the performance of the CIBC wealth management business (via the B shares of CIBC Bank and Trust) which will be excluded from the Combination; (with the exception of the net income figure, which is wholly attributable to the retail operations of CIBC West Indies Holdings Ltd). The Company is listed on three regional stock exchanges: The Barbados Stock Exchange, the Trinidad and Tobago Stock Exchange and the Jamaica Stock Exchange. In addition, two of its subsidiaries, CIBC Bahamas Limited and CIBC Jamaica Limited are also listed on their local stock exchanges. The Company is headquartered in Barbados.

For more information, see *Part X: Auditors' Report and the CIBC West Indies Holdings Limited Five Year Summary of the Audited Financial Statements as at and for the year ended October 31, 2001*, *Part XI: Auditors' Report and the CIBC West Indies Holdings Limited Audited Consolidated Financial Statements as at and for the year ended October 31, 2001* and *Part XIII: Compilation Report and the Unaudited FirstCaribbean Pro Forma Balance Sheet and Income Statement as of and for the period ended April 30, 2002*.

The following are the subsidiaries of the Company:

Company	Business	Country of Incorporation	Percentage ownership
CIBC West Indies Offshore Banking Corporation	International bank licensed in Barbados	Barbados	100%
CIBC Bahamas Limited	Bank and trust company licensed in The Bahamas and the Turks and Caicos Islands (Class A licence)	Bahamas	90.9%
CIBC Jamaica Limited	Commercial bank licensed in Jamaica	Jamaica	81.9%

CIBC Caribbean Limited	Domestic bank licensed in Barbados, Antigua, St. Lucia and St. Vincent and the Grenadines (and on completion of Combination to obtain banking licences in Dominica, Grenada, St. Kitts and Nevis, Anguilla and Belize)	Barbados	100%
CIBC Building Society	Building society licensed in Jamaica	Jamaica	100% owned through CIBC Jamaica Limited
CIBC Trust and Merchant Bank Jamaica Limited	Trust and merchant bank licensed in Jamaica	Jamaica	100% owned through CIBC Jamaica Limited
CIBC Cayman Limited	Bank licensed in Cayman (Class A licence) (and on completion of the Combination will apply for banking licences in the British Virgin Islands and Netherlands Antilles)	Cayman Islands	100%
CIBC Trust And Merchant Bank (Barbados) Limited	Trust and merchant bank licensed in Barbados	Barbados	100% owned through CIBC Caribbean Limited
CIBC Land Holding (TCI) Limited	Domestic company holding title to property	Turks and Caicos Islands	100% owned through CIBC Bahamas Limited
Warrens Business Complex Ltd.	Domestic company holding title to property	Barbados	100% owned through CIBC Caribbean Limited

2. THE BARCLAYS CARIBBEAN BANKING OPERATIONS

Barclays is one of the largest financial services groups in the UK with operations throughout the world. Barclays operations in the Caribbean were established in 1837. Barclays in the Caribbean now has operations in 14 countries, across 25 islands and 45 outlets. The Barclays Caribbean Banking Operations include banking operations in the following jurisdictions: Anguilla, Antigua and Barbuda, The Bahamas, Barbados, Belize, British Virgin Islands, the Cayman Islands, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, Netherlands Antilles (St. Maarten), St. Vincent and the Grenadines and Turks and Caicos Islands. For Barclays Caribbean Banking Operations, net income was US\$72.6 million and total assets were US\$5.2 billion for the year ended December 31, 2001 and net income was US\$29.0 million and total assets were US\$5.3 billion for the six month unaudited period ended April 30, 2002. Barclays Caribbean branch network employs approximately 1,500 staff serving approximately 386,000 accounts: 328,000 onshore retail, 23,000 onshore corporate and 25,000 offshore accounts and 10,000 staff accounts. Corporate and personal banking services

are offered in all 14 countries and offshore banking services are offered in five countries: The Bahamas, Barbados, the Cayman Islands, British Virgin Islands and the Turks and Caicos Islands. The Barclays Caribbean Banking Operations are headquartered in Barbados.

For more information, see *Part XII: Auditors' Report and Barclays Bank PLC – West Indies Combined Financial Statements as at and for the year ended December 31, 2001* and *Part XIII: Compilation Report and the Unaudited FirstCaribbean Pro Forma Balance Sheet and Income Statement as of and for the period ended April 30, 2002*.

The following companies are members of the Barclays Caribbean Group:

Company	Business	Country of Incorporation	Percentage ownership
Barclays Finance Corporation (Bahamas) Limited	Licensed mortgage lender and deposit taker	Bahamas	100%
Barclays (Nassau) Nominees Company Limited	Nominee company	Bahamas	100%
Barclays Finance Corporation of Barbados Limited	Licensed mortgage bank and deposit taker	Barbados	100%
Barclays Finance Corporation of the Cayman Islands Limited	Licensed mortgage lender and deposit taker	Cayman Islands	100%
Barclays Finance Corporation of the Leeward & Windward Islands Limited	Licensed mortgage lender and deposit taker	St. Lucia	100%
Grays Inn Limited	Nominee company	Cayman Islands	100%
Palmer Corporation N.V.	Non-bank finance company	Curacao, Netherlands Antilles	100%

3. FIRSTCARIBBEAN

(a) Introduction

Following the Combination, FirstCaribbean is expected to be the largest locally listed bank in the Caribbean based on market capitalization. The combination of the CIBC Caribbean Group and the Barclays Caribbean Banking Operations is expected to create additional product sales opportunities across a wide range of retail financial service capabilities.

(b) Synergies

The combination of the CIBC Caribbean Group and the Barclays Caribbean Banking Operations is expected to create annualised synergies of over US\$60 million pre-tax per annum by the end of the first three years of operation following completion of the Combination. The intention is that cost savings will be sourced from the combination of operating and processing infrastructure, IT savings, removal of duplicated central costs and limited branch and office co-location. Revenue synergies are expected to be sourced from new product and service introductions.

Total restructuring and integration costs of approximately US\$76 million pre-tax are expected to be incurred as a result of the Combination by the end of the first three years of operation following completion of the Combination.

For more information about FirstCaribbean see *Part XIII: Compilation Report and the Unaudited FirstCaribbean Pro Forma Balance Sheet and Income Statement as of and for the period ended April 30, 2002* and for more information on the Combination see *Part III: Summary of the Combination*.

(c) Shareholdings

Immediately following the Combination, CIBC Holdings and Barclays will each hold approximately 666,001,367 Shares, representing 45.0% of the Shares in issue, with the remaining approximately 10.0% of the Shares in issue being publicly owned.

Ownership of Shares before Rights Issue	Shares	Percentage
Barclays	666,001,367	45.0%
CIBC Holdings	666,001,367	45.0%
Public Shareholders, including Employee Stock Award	<u>146,867,578</u>	<u>10.0%</u>
Total	<u>1,478,870,312</u>	<u>100%</u>

Following the Rights Issue, assuming that the maximum number of New Shares is issued under the Rights Issue, CIBC Holdings and Barclays will each continue to hold 666,001,367 Shares, now representing approximately 43.3% of the Shares in issue, and the remaining approximately 13.4% of the Shares in issue will be publicly owned.

Pro forma Share ownership if the Rights Issue is fully subscribed	Shares	Percentage
Barclays	666,001,367	43.3%
CIBC Holdings	666,001,367	43.3%
Public Shareholders, including Employee Stock Award	<u>205,542,087</u>	<u>13.4%</u>
Total	<u>1,537,544,821</u>	<u>100%</u>

(d) Customers and Operations

On a consolidated basis, FirstCaribbean will have over 700,000 accounts and operations in 15 countries:

Anguilla	British Virgin Islands	Netherlands Antilles
Antigua and Barbuda	Cayman Islands	St. Kitts and Nevis
The Bahamas	Dominica	St. Lucia
Barbados	Grenada	St. Vincent and the Grenadines
Belize	Jamaica	Turks and Caicos Islands

FirstCaribbean expects to offer customers an enhanced range of products and extended access to banking services.

(e) Directors and Officers

Directors of FirstCaribbean

FirstCaribbean's Board of Directors will be comprised of ten directors: two independent directors and the remaining eight appointed in equal number by Barclays and CIBC Canada. The following are expected to be the initial directors of FirstCaribbean immediately following completion of the Combination:

Michael Mansoor	Executive Director	Chairman, FirstCaribbean International Bank
Charles Pink	Executive Director	Chief Executive, FirstCaribbean International Bank
Chester Feldberg	Non-Executive Director	Chairman, Barclays Americas
Sir Fred Gollop	Non-Executive Director	Attorney-at-law and Chairman, Nation Media Group
Robert Hunter	Non-Executive Director	Chief Executive, Barclays Private Clients
Ron Lalonde	Non-Executive Director	Senior Executive Vice President, Canadian Imperial Bank of Commerce
Michael Murray	Non-Executive Director	Finance Director, Barclays Private Clients
Richard Venn	Non-Executive Director	Senior Executive Vice President, Canadian Imperial Bank of Commerce
Kyffin Simpson	Non-Executive Director	President, Simpson Motors Limited
Allan Fields	Non-Executive Director	CEO, Barbados Shipping and Trading Company

Officers of FirstCaribbean

The following are expected to be the officers of FirstCaribbean immediately following completion of the Combination:

Michael Mansoor	Executive Chairman
Charles Pink	Chief Executive Officer
Joseph Baretto	Executive Director, Technology and Chief Information Officer
Jacqueline Beaurivage	Senior-Vice President, Integration
Sharon Brown	Executive Director, Corporate Banking
Raymond Campbell	Executive Director, Capital Markets
Jeremy Clark	Executive Director, Treasury
Andrew Gardiner	Executive Director, Risk Management
Bryan Gaunt	Executive Director, Internal Audit
Peter Hall	Executive Director, Human Resources
Robert Lane	Executive Director, Operations
Francis Lewis	Executive Director, Marketing and Product Development
Julian Murrillo	Executive Director, Strategy
John Riviere	Executive Director and Chief Financial Officer
Mark Strang	Group General Counsel & Executive Director, Compliance
Mark Teversham	Executive Director, International Banking
Walter Wells	Executive Director, Retail Banking

Following completion of the Combination the following will be the subsidiaries of FirstCaribbean:

Old Name	Intended New Name	Business	Country of Incorporation	Percentage ownership
CIBC West Indies Holdings Limited	FirstCaribbean International Bank Limited	Licensed Part III financial institution and holding company in Barbados	Barbados	45% CIBC Holdings; 45% Barclays; 10% Public – before Rights Issue

Old Name	Intended New Name	Business	Country of Incorporation	Percentage ownership
CIBC West Indies Offshore Banking Corporation	FirstCaribbean International Bank (Offshore) Limited	International bank licensed in Barbados	Barbados	100% FirstCaribbean International Bank Limited
CIBC Bahamas Limited	FirstCaribbean International Bank (Bahamas) Limited	Bank and trust company licensed in The Bahamas and the Turks and Caicos Islands (Class A licence)	Bahamas	95.8% FirstCaribbean International Bank Limited; 4.2% Public – before Rights Issue
Barclays Finance Corporation (Bahamas) Limited	FirstCaribbean International Finance Corporation (Bahamas) Limited	Licensed mortgage bank and deposit taker, and insurance broker	Bahamas	100% FirstCaribbean International Bank (Bahamas) Limited
Barclays (Nassau) Nominees Company Limited	FirstCaribbean International (Bahamas) Nominees Company Limited	Nominee company	Bahamas	100% FirstCaribbean International Bank (Bahamas) Limited
CIBC Land Holdings (TCI) Limited	FirstCaribbean International Land Holdings (TCI) Limited	Domestic company holding title to property	Turks & Caicos Islands	100% FirstCaribbean International Bank (Bahamas) Limited
CIBC Caribbean Limited	FirstCaribbean International Bank (Barbados) Limited	Domestic bank licensed in Barbados, Antigua, St. Lucia and St. Vincent (and on completion to obtain Barclays banking licenses for Dominica, Grenada, St. Kitts and Nevis, Anguilla and Belize)	Barbados	100% FirstCaribbean International Bank Limited

Old Name	Intended New Name	Business	Country of Incorporation	Percentage ownership
CIBC Trust And Merchant Bank (Barbados) Limited	FirstCaribbean International Trust and Merchant Bank (Barbados) Limited	Trust and merchant bank licensed in Barbados	Barbados	100% FirstCaribbean International Bank (Barbados) Limited
Barclays Finance Corporation of Barbados Limited	FirstCaribbean International Finance Corporation (Barbados) Limited	Trust and merchant bank licensed in Barbados	Barbados	100% FirstCaribbean International Bank (Barbados) Limited
Barclays Finance Corporation of the Leeward & Windward Islands Limited	FirstCaribbean International Finance Corporation (Leeward & Windward) Limited	Licensed mortgage bank and deposit taker, and insurance broker	St. Lucia	100% FirstCaribbean International Bank (Barbados) Limited
Warrens Business Complex Ltd.	FirstCaribbean International Land Holdings (Barbados) Limited	Domestic company holding title to property	Barbados	100% FirstCaribbean International Bank (Barbados) Limited
CIBC Jamaica Limited	FirstCaribbean International Bank (Jamaica) Limited	Commercial bank licensed in Jamaica	Jamaica	81.9% FirstCaribbean International Bank Limited; 18.1% Public
CIBC Trust and Merchant Bank Jamaica Limited	FirstCaribbean International Trust & Merchant Bank (Jamaica) Limited	Trust and merchant bank licensed in Jamaica	Jamaica	100% FirstCaribbean International Bank (Jamaica) Limited
CIBC Building Society	FirstCaribbean International Building Society	Building society licensed in Jamaica	Jamaica	100% FirstCaribbean International Bank (Jamaica) Limited

Old Name	Intended New Name	Business	Country of Incorporation	Percentage ownership
CIBC Cayman Limited	FirstCaribbean International Bank (Cayman) Limited	Class A bank licensed in Cayman (and on completion will apply for banking licenses in the British Virgin Islands and Netherlands Antilles)	Cayman Islands	100% FirstCaribbean International Bank Limited
Barclays Finance Corporation of the Cayman Islands Limited	FirstCaribbean International Finance Corporation (Cayman) Limited	Bank (Class A banking licence)	Cayman Islands	100% FirstCaribbean International Bank (Cayman) Limited
Palmer Corporation N.V.	FirstCaribbean International Finance Corporation (Netherlands Antilles) Limited	Non-bank finance company	Curacao, Netherlands Antilles	100% FirstCaribbean International Bank (Cayman) Limited
Grays Inn Limited	FirstCaribbean International (Cayman) Nominees Company Limited	Nominee company	Cayman Islands	100% FirstCaribbean International Bank (Cayman) Limited

(f) Share Capital

The authorized share capital of FirstCaribbean following completion of the Combination will consist of an unlimited number of Shares, an unlimited number of Non-Voting Shares and 180,000,000 Preference Shares.

(g) Working Capital

The Directors are satisfied that having regard to cash flows generated from the business of the Company the working capital of the Company will, immediately following completion of the Combination, be sufficient to meet the requirements of the Company.

PART VII: INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

DIRECTORS AND THEIR INTERESTS

The following are the Directors' direct and indirect interests in Shares as at August 19, 2002:

Names	Direct	Indirect
Jacqueline Beaurivage	-	1,000
John Breen	-	1,000
Sir Fred Gollop	1,000	-
Ron Lalonde	-	1,000
Michael Mansoor	46,771	-
Kyffin Simpson	1,000	5,088,718
Mark Strang	1,000	-
Richard Venn	-	1,000

SUBSTANTIAL SHAREHOLDERS

The following are substantial shareholders' interests in Shares as at August 19, 2002 (being holdings of 5% or more of the issued Shares):

CIBC Holdings, a wholly owned subsidiary of CIBC Canada	470,990,742	77%
Republic Bank Limited	88,061,917	14%

PART VIII: RISK FACTORS

In addition to the other information set forth in this Offering Circular, the Group will be subject to many risk factors, which may impact on its future performance. Shareholders should consider the following factors, in addition to the other information in this Offering Circular, before subscribing for New Shares under the Rights Issue.

Forward-looking statements in this Offering Circular are not guarantees of the Group's future performance.

The Offering Circular contains forward-looking statements about the objectives, plans and intentions of FirstCaribbean for the operation of the Group in the Caribbean region. Forward-looking statements are typically identified by the words “believe”, “expect”, “anticipate”, “intend”, “estimate”, and other similar expressions or future or conditional verbs such as “will”, “should”, “would” and “could”. A forward-looking statement is subject to risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond the control of CIBC Canada, Barclays or FirstCaribbean, may affect the objectives, plans and intentions for the operation of FirstCaribbean and could cause actual implementation and FirstCaribbean operations to differ materially from the expectations expressed in the forward-looking statements contained in this Offering Circular. These factors include: not obtaining governmental, regulatory authority, shareholder or other necessary approvals; the continuing impact on the economy in the Caribbean region of the September 11, 2001 terrorist attacks in the US; delays in putting into effect Barclays and CIBC Canada proposals; customer preferences; current, pending and proposed legislative or regulatory developments; intensifying competition resulting from established competitors, new entrants, technological change; global capital market activity including interest rate fluctuation, currency value fluctuation and general economic conditions in the Caribbean region and worldwide; and the success of the FirstCaribbean Group in managing the costs associated with the expansion of existing distribution channels, developing new ones and in realising increased revenue from the channels. Future expectations, referred to in this Offering Circular have been estimated on the basis of existing cost, operating structures and business volumes of the two groups and by reference to forecast price increases, economic conditions and the current regulatory environment. This list is not exhaustive of the factors that may affect any of the forward-looking statements in this Offering Circular. These and other factors should be considered carefully and readers should not place undue reliance on these forward-looking statements.

Forward-looking statements do not guarantee future performance and involve risks and uncertainties that could cause actual results to differ materially from those anticipated. The information contained in this Offering Circular, including the information contained below, or incorporated by reference, identifies important factors that could cause such differences.

Shares may not trade at or above the Subscription Price.

The market price of the Shares following the Rights Issue could be subject to significant fluctuations in response to various factors and events, including but not limited to, the liquidity of the market for the Shares, the process of integration following the proposed Combination, differences between the Company's actual financial or operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, movement in interest and exchange rates, currency fluctuations, restrictions and controls, competition in the banking system, new statutes and regulations or changes in interpretations of existing statutes or regulations affecting the banking system and changes in general market and economic conditions.

The Company may not be able to quickly or smoothly integrate or realize the anticipated benefits of the Combination.

The management team has developed a plan for the integration and consolidation of the businesses in the Group. However, the Combination involves numerous risks, including diversion of the management's attention away from operating activities. The Company cannot assure you that it will not encounter unanticipated problems or liabilities relating to the Combination or its business, or with the integration of Barclays Caribbean operations, nor can it assure you that it will realize the anticipated benefits of any past or future acquisitions.

Non-revocation of Subscription.

Subscriptions for New Shares in this Offering Circular will be irrevocable. If the Rights Issue does not proceed, you will not receive interest on subscription funds returned to you.

The Company is vulnerable to changes in competitive and market conditions.

Changes in the competitive landscape, economic or market conditions could significantly affect the Company and may affect projected profits.

The Company is reliant on various legislative requirements.

The Company must comply with various legislative requirements. Should any of these laws change, the legal requirements to which the Company and shareholders may be subject could differ materially from current requirements.

The Company's current dividend policy may change.

The dividend policy is based on current conditions and projected capital adequacy requirements and levels of liquidity. Changes in capital requirements or downturns in business may cause a reduction in the payment level.

This investment may not be appropriate for all investors.

An investment in the Company may be speculative as the value of a shareholder's investment may go down as well as up. Historical results and profitability do not guarantee future performance. The contents of this Offering Circular should not be construed as investment or legal advice. Each prospective investor is urged to seek independent investment, tax and legal advice concerning the consequences of investing in the Company.

The Company is subject to certain risks in the normal course of operating its business.

The Company is subject to certain risks in the normal course of operating its business, including credit risk (the risk that borrowers will be unable to repay according to the terms of their borrowing arrangements), interest rate risk (the mismatch of assets and liabilities based on various interest rates), foreign exchange risk (the mismatch of assets and liabilities based on foreign exchanges and the risk of devaluation of foreign currencies), liquidity risk (the mismatch of assets and liabilities based on the ability to fund financial commitments) and operational risk (the potential for loss from the breakdown or ineffectiveness of processes, human errors, technology and infrastructure failures, business interruptions, faulty internal and external reporting, unforeseen business interruptions or disasters, fraud, and non-compliance with regulations and laws).

Effects of interest rates.

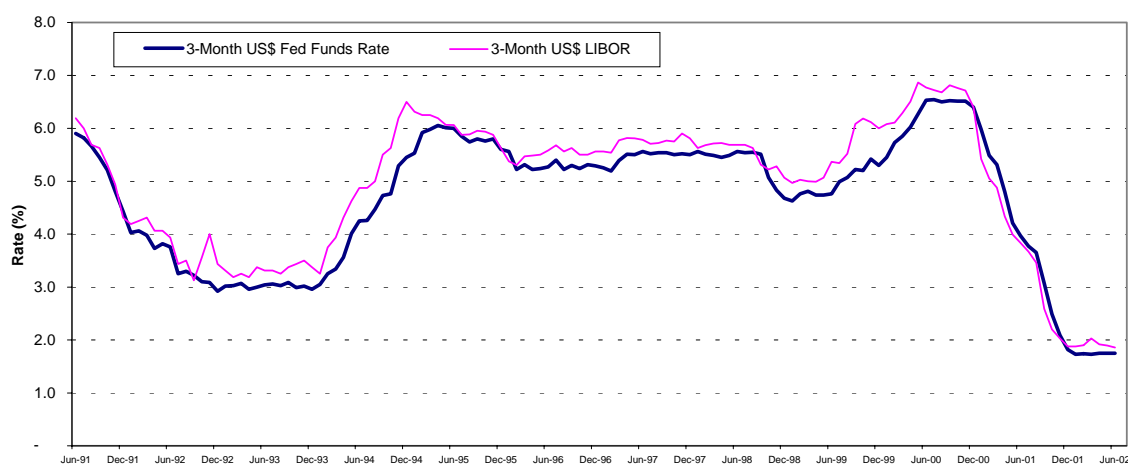
The interest rate environment in which the Company and Barclays Caribbean Banking Operations operate has experienced significant change in the past 24 months. Changes in interest rates can have a positive or negative effect on the profitability of the businesses.

US Interest Rates History

The chart below shows the changes in the three-month US Federal Funds Rate for the period June 30, 1991 to June 30, 2002. The chart also shows three-month US\$ LIBOR for the same period, as three-month US\$ LIBOR is a commonly used reference rate for the CIBC Caribbean Group's business and the Barclays Caribbean Banking Operations included in the Combination. This chart indicates that the three-month US Federal Funds Rate declined from over 6.5% in July 2000 to under 2.0% in June 2002. Prior to the decline of interest rates in 2001, the lowest interest rate for the period occurred in February 1993 when the three-month US Federal Funds Rate was 3.13%.

3-Month US\$ Fed Funds Rate and 3-Month US\$ LIBOR

June 1991 – June 2002



Source: Bloomberg, July 1, 2002

The Effect of Interest Rates

Changes in interest rates impact upon the profitability of the CIBC Caribbean Group's business and of the Barclays Caribbean Banking Operations. The CIBC Caribbean Group's business and the Barclays Caribbean Banking Operations had, respectively, 46.3% and 61.9% of total assets comprising cash and investments as at April 30, 2002. The proportion of total assets comprising cash and investments on an unaudited pro forma combined basis at April 30, 2002 was 55.0%. These assets are predominantly denominated in US dollars or have interest rates linked to US dollar interest rates. A decrease in US dollar interest rates has a direct negative impact on the earning rate of these assets and the net interest income of the respective businesses. The CIBC Caribbean Group's business and the Barclays Caribbean Banking Operations both participate in the US dollar-denominated deposit and loan segments of the market. The volume of deposits is sensitive to interest rates. In an environment in which interest rates are declining, customers are more likely to seek higher yielding investments such as equity products, rather than deposit products. Conversely, in an environment in which interest rates are increasing, management believes that customers are

more likely to hold interest bearing deposits and that, as a result, deposit volumes may increase during periods of rising interest rates.

With respect to the Barclays Caribbean Banking Operations included in the Combination, Barclays management attributes approximately US\$17.3 million of the decline in its net interest income in the fiscal year ended December 31, 2001 to changes in interest rates, while there was an increase in net interest income attributed to changes in its loan and deposit volumes of an estimated US\$4.3 million. For the six months ended April 30, 2002, Barclays management attributes approximately US\$18.0 million of the decline in its net interest income to changes in interest rates, while over the same period the reduction in net interest income attributed to changes in its loan and deposit volumes was an estimated US\$0.6 million.

The management of the CIBC Caribbean Group attributes approximately US\$32.1 million of the decline in net interest income in the fiscal year ended 31 October 2001 to the decline in interest rates, while over the same period there was an increase in net interest income attributed to changes in loan, cash and securities and deposit volumes of an estimated US\$30.6 million. For the six months ended April 30, 2002, the CIBC Caribbean Group's management attributes approximately US\$7.8 million of the increase in net interest income to changes in interest rates, while over the same period there was a decrease in net interest income attributed to changes in loan, cash and securities and deposit volumes of an estimated US\$7.6 million. The impact upon net interest income was particularly affected by a single large customer relationship, the effect of which is included in the information above. When that effect is excluded from the results for 2001, the CIBC Caribbean Group's management attributes approximately US\$21.9 million of the decline in net interest income in the fiscal year ended 31 October 2001 to changes in interest rates, while over the same period there was an increase in net interest income attributed to changes in loan, cash and securities and deposit volumes of an estimated US\$19.3 million. When the effect of that single customer relationship is excluded for the six months ended April 30, 2002, the CIBC Caribbean Group's management attributes approximately US\$3.3 million of the increase in net interest income to changes in interest rates, while over the same period there was a decline in net interest income attributed to changes in loan and deposit volumes of an estimated US\$2.5 million.

Publicly available information suggests that, based upon forward interest rates, interest rates may increase from their current levels. Management believes that increases in interest rates may have a favourable impact upon the operations and results of the Company. However, there can be no assurance that interest rates will increase.

PART IX: FAIRNESS OPINIONS

1. INTRODUCTION

Ernst & Young has provided a fairness opinion to the board of the Company and UBS Warburg has provided a fairness opinion to the Fairness Committee of the Board which represents the interests of the shareholders of the Company other than CIBC Canada. Copies of these reports and the report of the Fairness Committee are set out below.



Ernst & Young
Corporate Finance Inc.
Ernst & Young Tower
P.O. Box 251, 222 Bay Street
Toronto-Dominion Centre
Toronto, Canada M5K 1J7

Phone: (416) 864-1234
Fax: (416) 943-3365

2. ERNST & YOUNG FAIRNESS OPINION

October 29, 2001
(except for the Subsequent Events Review
paragraph for which the date is May 31, 2002)

The Board of Directors
CIBC West Indies Holdings Limited
CIBC Centre
Warrens, St. Michael
Barbados, W.I.

To the Board of Directors:

We understand that a transaction is in process of execution through which the banking business and operations of CIBC West Indies Holdings Limited (“CIBC WIHL”) and Barclays Bank PLC in the Caribbean (“Barclays”) will be combined under the corporate structure of CIBC WIHL as a single business to be carried on under the name FirstCaribbean International Bank (“FirstCaribbean”) (“the Transaction”). These operations will be wholly-owned by FirstCaribbean subject only to the existence of certain minority interests. Procedurally, the combination process will involve individual subsidiaries of CIBC WIHL acquiring the geographically related operations of Barclays – the main components of which have generally been carried on as branches of the parent company rather than as incorporated entities - in exchange for the issue of shares in such subsidiaries, which shares, upon the exercise of certain put or call options, will subsequently be exchanged by Barclays Bank PLC for shares of CIBC WIHL to effect the overall combination of ownership interests.

The structural intention of the Transaction may be described as a combination that will involve Canadian Imperial Bank of Commerce (“CIBC”), the parent of CIBC WIHL, and Barclays Bank PLC each holding a 43.3% voting interest in the combined enterprise, with the remaining 13.4% of the voting shares held by the public. In addition, Barclays Bank PLC will hold a number of non-voting shares in CIBC WIHL that will cause the net economic interest of CIBC to represent 42.6% of the equity of FirstCaribbean with Barclays Bank PLC holding 44.2% and the public holding 13.2%. (Final determination of these interests is dependent on the results of an offering of additional shares to existing public shareholders and shares to be issued to employees under an Employee Stock Award Plan.) Since the Caribbean operations of Barclays are larger than those of CIBC WIHL, certain additional transactions will take place in order to achieve the intended ownership relationships, including an issue of additional shares under a private placement to CIBC and an open rights offering to the other pre-Transaction shareholders of CIBC WIHL. An outline of the transactions leading to this target structure is set out hereafter and is more fully described in the Offering Circular (“the Circular”) to be sent to shareholders with respect to the Transaction.

Assignment

The terms of the pending combination have been negotiated by CIBC WIHL (and CIBC) and Barclays on an arm’s length basis. On or about June 22, 2001, Ernst & Young Corporate Finance Inc. (“EYCF”), was contacted with respect to undertaking a review of the pending Transaction for purposes of reporting to the Board of Directors of CIBC WIHL (the “Board”) as to the fairness, from a financial point of view, of the proposed Transaction to the shareholders of CIBC WIHL (the “Fairness Opinion”). EYCF was subsequently engaged to perform the Fairness Opinion which is set out herein. EYCF reported to the Board on its initial assessment of fairness on July 19, 2001 on the basis of the Transaction as then defined. Intervening events, including the terrorist attacks of September 11, 2001, caused the terms of the Transaction to be varied and EYCF was asked to update its review and analysis to reflect the revised Transaction and supporting analysis. This report sets out the results of that review.

The Transaction

The following description outlines the terms of the proposed business combination Transaction and the manner in which it will be effected:

- CIBC WIHL and Barclays will combine their respective Caribbean operations through a process in which Barclays will transfer its branch operations and regional corporate entities to the subsidiaries of CIBC WIHL, ultimately in exchange for shares of FirstCaribbean (the new brand name for CIBC WIHL after the combination).
- CIBC will initially have 471 million shares and the public 140.8 million shares of FirstCaribbean. CIBC will subscribe for 195 million shares in CIBC WIHL at the price of US\$ 1.05 per share (for a total of US\$ 205 million).
- Barclays Caribbean operations will, upon exercise of certain put or call options, subsequently be exchanged for US\$ 180 million of preferred shares; 24.7 million non-voting shares and 666 million voting shares of FirstCaribbean.
- CIBC and Barclays will then each hold 666 million voting shares in FirstCaribbean and the public will hold 140.8 million voting shares. A public offering will follow whereby the shareholders of CIBC WIHL (other than CIBC or Barclays) will be invited to subscribe for new shares in CIBC WIHL at the

same price. (Up to approximately 6 million additional shares will also be issued under an Employee Stock Award Plan that will be implemented upon completion of the Transaction.)

The terms and conditions of the Transaction, including information concerning CIBC WIHL and Barclays and pro forma information describing the combined business of FirstCaribbean that is to be formed by the Transaction, is set out in the Circular to be provided to shareholders of CIBC WIHL. We understand that the Board will provide its recommendation with respect to the Transaction in the Circular and that this Fairness Opinion as provided to the Board will be referenced in the Director's report with a copy of the Fairness Opinion appended to the Circular.

We consent to the references to this Fairness Opinion in the Circular and the inclusion of a copy of this Fairness Opinion in the Circular. In this regard, it will be appreciated that our review of the Transaction has been carried out with a view to assessing its fairness from a financial point of view and our Fairness Opinion is accordingly not, and should not be construed as, a valuation of CIBC WIHL, Barclays or FirstCaribbean or any of their respective assets.

Opinion of UBS Warburg

We understand that a Committee of independent members of the Board has been constituted to review the Transaction from the specific perspective of the minority holders of CIBC WIHL shares. We have been advised that the Independent Committee has retained UBS Warburg to prepare a fairness opinion in support of their deliberations. In that regard, it should be noted that our review of the Transaction has been carried out independently of that of UBS Warburg and without consultation with them or the Independent Committee as such.

Credentials of EYCF and Declaration of Relationship

Ernst & Young LLP is one of the largest global public accounting and professional service firms, and through its affiliated company, EYCF, provides corporate finance advisory services related to mergers and acquisitions, divestitures, valuations, fairness opinions, strategic finance, and due diligence support. The Fairness Opinion expressed herein is that of EYCF and the form and content hereof have been approved by a committee of senior practitioners of EYCF, who have not been involved in the development of the Fairness Opinion or any other services related to the Transaction, and each of whom is experienced in merger, acquisition, divestiture and valuation matters.

EYCF has not been involved as a financial advisor to either CIBC, CIBC WIHL or Barclays with respect to the Transaction and has been retained solely with respect to the review leading to this Fairness Opinion. The Transaction Support Group of Ernst & Young LLP, with which EYCF is affiliated, was retained to assist CIBC WIHL with its due diligence investigation of the business and operations of Barclays. EYCF has performed its Fairness Opinion review of the Transaction independent of the conduct of the due diligence review and with the same access to reports on the due diligence process as would be provided to a non-affiliated professional services firm. We do not believe these relationships with Ernst & Young LLP impair the ability of EYCF to assess the fairness, from a financial point of view, of the Transaction to the shareholders of CIBC WIHL in an independent and objective manner. The Board has approved the use of EYCF in providing this Fairness Opinion recognizing that Ernst & Young LLP has performed the indicated due diligence services.

Scope of Review

In connection with rendering the Fairness Opinion, we have reviewed and considered financial and other information respecting each of CIBC WIHL and Barclays; explanations received from management and advisors to each of CIBC WIHL and Barclays; financial analyses and financial model outputs developed by advisors to each party; as well as information from other public and private sources that we considered relevant to the process of understanding the businesses, the proposed Transaction and its potential effects on the positions of various parties at interest in the business combination. A listing of the primary documents and processes involved in this review is set out in Appendix A, hereto.

For purposes of our review of the proposed Transaction we performed a series of comparative financial analyses on assembled financial and other information and developed financial models which enabled us to consider the combination of the businesses in terms of projected future performance under various assumptions as to return, risk and growth conditions expected to prevail in the markets where the resulting business will operate. Each of these analyses was considered to bear on the overall assessment of the financial fairness of the Transaction but no single analysis was considered sufficient to that end on its own merits.

EYCF has not, to the best of its knowledge, been denied access by CIBC WIHL or Barclays to any information requested by EYCF. In developing our opinion, we have assumed that any draft documents pertinent to the Transaction which were reviewed by us will be finalized without substantial revision.

Assumptions and Limitations

We have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from CIBC WIHL and its affiliates, management, advisors, or otherwise, pursuant to our engagement, as well as data obtained from public sources.

Similarly, we have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from Barclays and its respective affiliates, management, advisors, or otherwise, pursuant to our engagement, as well as data from public sources.

This Fairness Opinion is conditional upon such completeness, accuracy and fair presentation. Subject to the exercise of professional judgement and except as expressly described herein, we have not attempted to verify independently the accuracy or completeness of any such information, data, advice, opinions or representations.

The senior management of CIBC WIHL has represented to us, amongst other things, that the information, data, advice, opinions, representations and other materials (the "Information") provided to us by or on behalf of CIBC WIHL are complete and correct at the date the Information was provided to us and that since the date of the Information, there has been no material change, financial or otherwise, in CIBC WIHL, or its assets, liabilities (contingent or otherwise), business or operations, and there has been no change of any material fact which is of such a nature as to render the Information untrue or misleading in any material respect.

In addition, the management of CIBC WIHL have represented to us that they have no reason to believe there are any inaccuracies in information they have provided to us with respect to the business, operations and financial position of Barclays. Given the nature of our assignment, no similar letter of representation has been provided to us by Barclays.

This Fairness Opinion is rendered on the basis of securities market, economic and general business and financial conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of CIBC WIHL and Barclays as they were reflected in the Information and other materials concerning them that were reviewed by us and as they were represented to us in our discussions with management and advisors. In our analyses and in connection with the preparation of the Fairness Opinion, we made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Transaction.

We believe that our analysis must be considered as a whole and that selecting portions of our analysis or the factors considered by us, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on particular factors or elements of the analysis.

This Fairness Opinion is not to be construed as a recommendation to any shareholder of CIBC WIHL to accept or reject the Transaction. This Fairness Opinion has been provided for the exclusive use of the Board for the purposes described above and it is not to be published or communicated in other contexts or to other persons without our prior and express written consent in each such instance.

Approach to Fairness

In reviewing the fairness of the Transaction from a financial point of view to the shareholders of CIBC WIHL, EYCF considered the Transaction to be comprised of the following basic attributes:

- The combination of the operations of CIBC WIHL with those of Barclays as a former competitor in many of the markets in which CIBC WIHL has operated in the past;
- The addition of participations in those markets where the combination with Barclays extends the presence of the prior CIBC WIHL business into new areas;
- The sharing of CIBC WIHL positions with the Barclays organization in those markets where only CIBC WIHL had a prior position;
- The replacement of a shareholding based control arrangement in favour of CIBC with a strategic alliance agreement between CIBC and Barclays Bank PLC going forward into the operations of the newly branded FirstCaribbean organization;
- The potential to realize net combination/synergy benefits from the process of bringing the two organizations together and rationalizing their overlapping operations; and
- The preservation of a public minority interest position in the combined entity, including the rights offering for shares in CIBC WIHL.

In considering financial fairness against this framework EYCF performed a variety of financial and comparative analyses, including:

- A general review of the size, scope, organizational, market position and financial attributes of the respective CIBC WIHL and Barclays businesses leading to a conclusion that, while each has distinguishing characteristics and identifiable strengths and weaknesses of various sorts, the two operations may reasonably be viewed as comparable business undertakings with generally similar prospects commensurate with their established positions in the Caribbean marketplace;
- A number of comparisons of financial attributes and performance parameters for CIBC WIHL and Barclays, as well as other participants in the relevant banking industry, that we considered relevant to the comparative evaluation of the ongoing investment attractiveness of the type of regional and offshore banking operations carried on by each of CIBC WIHL and Barclays as well as the potential attractiveness of the combination of their operations in FirstCaribbean; and
- A series of valuation analyses developed by reference to financial market, transactions, and other sources of relevant factors and data, including discounted cash flow, capitalized returns, market capitalization, accounting and other indicators of value and relative value, each of which we considered to be relevant in some degree to the assessment of fairness in the specification of the terms of the combination; the quantification of the share interest proportions resulting from the Transaction; and the amount and nature of the other consideration which is required to establish the resultant positions of the different shareholders, or classes of shareholders, having an interest in the combined business of FirstCaribbean.

In developing the terms of the Transaction, CIBC WIHL, Barclays, and their respective advisors primarily considered a discounted cash flow (“DCF”) analysis and valuation of the separate and combined values of the companies, and evaluated the results of that process by reference to comparable company multiples, ratios, and other factors. In its review of the fairness, from a financial point of view, of the Transaction, EYCF considered the company/advisor DCF analyses, developing alternative projection scenarios and sensitivity analyses, and considered market multiple based valuation estimates as well. Given the nature of the Transaction, combined with the intention to produce comparable voting interests for the two principal shareholders upon completion, the focus of the valuation process was necessarily at the level of the *en bloc* intrinsic value of the businesses and not at the level of possible values for minority trades in the shares. Transaction values, when converted to a per share basis, will not necessarily reflect prices prevailing in the market for minority shareholdings in the various markets in which the shares of CIBC WIHL trade.

Our consideration of why differences between the *en bloc* value per share and the trading prices per share for the CIBC WIHL shares might exist, leads to the following observations:

- Available evidence from trading in the shares of CIBC WIHL over the period from January 2000 to September/October 2001, indicates that trading activity in the shares is highly variable, sporadic, and inconsistent across the three markets where the shares are traded - as might well be expected for a thinly traded stock.
- Under these conditions, we are of the view that it is not possible to conclude that the trading prices are determined in a manner that would be considered responsive to efficient market principles which require a continuous process of investor evaluation of the business and its return, risk and growth prospects.

- By contrast, the per share values as derived from en bloc values are based on detailed projections of future results at the total enterprise level as interpreted and tested for valuation purposes in net present value terms on a cost of capital basis.

In light of these conditions, we have concluded that the limited public float and lack of trading activity entail that the minority trading prices for the shares of CIBC WIHL do not provide an appropriate basis for assessing the fairness of the Transaction.

In arriving at our Fairness Opinion, we have not attributed any particular weight to any specific analysis or factor considered by us, but rather have made qualitative judgments based upon our experience in rendering such opinions and on the circumstances of the proposed Transaction as well as the Information which we reviewed, taken as a whole, concerning CIBC WIHL and Barclays.

Fairness Conclusion

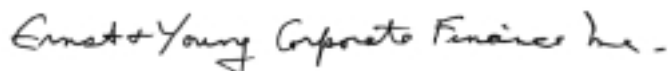
Based upon and subject to the foregoing, it is our opinion as of the date hereof that the Transaction is fair from a financial point of view to the shareholders of CIBC WIHL.

Subsequent Events Review to May 31, 2002

Subsequent to the date of our opinion the parties to the Transaction have been engaged in a process of obtaining regulatory approvals for the combination. With respect to that period, we have undertaken a limited review of subsequent events comprised primarily of discussions with CIBC and a review of updated information as included in our Scope of Review in Appendix A hereto.

Based on this subsequent events review to May 31, 2002, nothing has come to our attention that would alter our Fairness Conclusion.

Yours very truly,



ERNST & YOUNG CORPORATE FINANCE INC.

Appendix A

Summary of Scope of Review Information

In connection with rendering the Fairness Opinion and subsequent events review, we have reviewed or carried out and relied upon, among other things, the following:

- (i) draft Information Circulars as available on the date of the opinion and the subsequent events review;
- (ii) combination agreement and draft amendment agreement thereto as available on the date of the opinion and the subsequent events review;
- (iii) CIBC WIHL annual reports for the years ended October 31, 1996 to 2001 and interim statements for the period ended April 30, 2002;
- (iv) CIBC WIHL audited consolidated net asset statement for July 31, 2001;
- (v) minutes from CIBC WIHL's Board of Directors meetings occurring from August 2000 to May 2002;
- (vi) discussions with the senior managements of CIBC WIHL and Barclays and their respective advisors;
- (vii) audited financial statements for Barclays for the fiscal years ended December 31, 2000 and 2001 and the interim period ended April 30, 2002;
- (viii) unaudited financial statements for Barclays for the years ended December 31, 1996 to 1999;
- (ix) audited net asset statement for Barclays for July 31, 2001;
- (x) Confidential Briefing Note for Barclays dated September 2000;
- (xi) due diligence reports prepared for CIBC WIHL with respect to Barclays operations;
- (xii) general financial information and statements, operating information, business plans and financial projections relating to the expected performance of CIBC WIHL and Barclays and their respective major business units and investments;
- (xiii) public information relating to the business, operations, financial performance and stock trading history of CIBC WIHL and other selected public companies that we considered relevant for the purposes hereof;
- (xiv) data with respect to other transactions of a comparable nature that we considered relevant for the purposes hereof;
- (xv) analyst reports for the industry;
- (xvi) letter of representation as to certain factual matters, addressed to us and dated as of the date hereof, provided by senior officers of CIBC WIHL; and

- (xvii) such other information, investigations and analyses as we considered appropriate in the circumstances.

We have assumed that any “draft” documents reviewed by us will be finalized without substantial revision.

3. REPORT OF FAIRNESS COMMITTEE OF THE COMPANY



CIBC West Indies Holdings Limited

CIBC Centre, Warrens

St. Michael

Barbados, W.I.

July 10, 2002

To the board of directors of CIBC West Indies Holdings Limited:

I write on behalf of the Fairness Committee of the board of directors (the “Board”) of CIBC West Indies Holdings Limited (the “Company”) appointed pursuant to a resolution of the Board.

In accordance with our mandate, we engaged the firm of UBS Warburg LLC (“UBS Warburg”), to provide to the Fairness Committee an opinion as to the fairness, from a financial point of view, to the current shareholders of the Company other than CIBC of the consideration to be received by such shareholders. We defined the terms of engagement of UBS Warburg, and made available or caused to be made available to UBS Warburg all information necessary for them to render their opinion. On October 28, 2001, UBS Warburg rendered their opinion (the “UBSW Fairness Opinion”), and the Fairness Committee submitted the UBSW Fairness Opinion to the Board. Upon being satisfied that the UBSW Fairness Opinion was being rendered after deliberate consideration of the transactions proposed, in accordance with the resolution of the members of the Fairness Committee, we submitted the UBSW Fairness Opinion to the Board, with the recommendation that the Board be authorised to rely upon the UBSW Fairness Opinion (to the fullest extent as in their individual and collective judgements is deemed necessary or advisable) in respect of any one or more approvals required of the directors to give effect to the Combination.

UBS Warburg has confirmed that since the date of such Opinion, after reviewing the interim financial statements of the Company and meeting with management of the Company, UBS Warburg has not become aware of anything that would alter the conclusions reached in, or otherwise affect in any material respect, the UBSW Fairness Opinion.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Fred Gollop'.

Sir Fred Gollop, KA
Chairman
Fairness Committee of the Board of Directors
CIBC West Indies Holdings Limited

4. FAIRNESS OPINION OF UBS WARBURG



October 28, 2001

The Special Committee of the Board of Directors
CIBC West Indies Holdings Limited
CIBC Centre, Warrens, St. Michael
Barbados, W.I.

Dear Members of the Committee:

We understand that CIBC West Indies Holdings, a Barbadian corporation ("CIBC WI" or the "Company"), an indirect majority-owned subsidiary of the Canadian Imperial Bank of Commerce ("CIBC") is considering a series of transactions (collectively, the "Transaction") whereby Barclays Bank PLC, a UK corporation ("BC") will sell certain of its Caribbean banking operations, companies and assets (the "BC Caribbean Operations") to certain banking subsidiaries of CIBC WI which will be subsequently merged and for which BC will ultimately receive in return US\$ 180 million in nominal value of preferred shares, plus 666,001,367 shares of voting and 24,685,024 shares of non-voting common stock of CIBC WI (the "Consideration") which Consideration also contemplates that CIBC will subscribe for 195,238,095 additional shares of voting common stock of CIBC WI at a price of US\$1.05 per share and CIBC WI will make a rights offering to the current shareholders of CIBC WI other than CIBC (the "Minority Shareholders") at a price equal to the price paid by CIBC for its additional shares. Following the completion of the Transaction CIBC WI will be renamed FirstCaribbean International Bank Limited ("FCIB").

You have requested our opinion as to the fairness, from a financial point of view, to the Minority Shareholders of the Consideration. UBS Warburg LLC ("UBS Warburg") has acted as financial advisor to the Fairness Committee of the Board of Directors of the Company in connection with the Transaction and will receive a fee for its services upon delivery of this opinion.

Our opinion does not address the Company's underlying business decision to effect the Transaction nor does it constitute a recommendation to any shareholder of the Company as to how such shareholder should vote with respect to the Transaction. At your direction, we have not been asked to, nor do we, offer any opinion as to any of the terms of the Agreement or the form of the Transaction. We have not been engaged to prepare, and have not prepared, a valuation of the BC Caribbean operations or the acquired assets and this Opinion should not be construed as such. In addition, this Opinion is not, and should not be construed as, a valuation of any of the securities of the Company or BC Caribbean operations. We express no opinion as to what the value of CIBC WI stock will be when issued or the prices at which it will trade in the future. In rendering this opinion, we have assumed, with your consent, that the final executed form of the agreements between the parties relating to the Transaction

(together the "Agreement") does not differ in any material respect from the drafts that we have examined, and that CIBC, BC and the Company will comply with all the material terms of the Agreement.

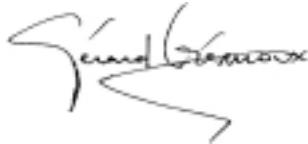
In arriving at our opinion, we have, among other things, (i) reviewed certain publicly available business and historical financial information relating to the Company and BC Caribbean Operations, (ii) reviewed certain internal financial information and other data relating to the business and financial prospects of the Company and BC Caribbean Operations, including estimates and financial forecasts prepared by management of the Company and BC Caribbean operations, that were provided to us by the Company and not publicly available (the "Materials"), (iii) conducted discussions with members of the senior management of the Company and BC Caribbean Operations concerning the business(es) and financial prospects of the Company and BC Caribbean Operations, (iv) reviewed publicly available financial and stock market data with respect to certain other companies in lines of business which we believe to be generally comparable to those of BC Caribbean Operations and the company, (v) reviewed publicly available financial and stock market data with respect to emerging markets which we believe to be generally comparable to those where BC Caribbean operations and the Company operate, (vi) compared the financial terms of the Transaction with the publicly available financial terms of certain other transactions which we believe to be generally relevant, (vii) considered certain pro forma effects of the Transaction on FCIB's financial statements and reviewed certain estimates of synergies prepared by BC Caribbean Operations and the Company management, (viii) reviewed drafts of the Agreement, and (ix) conducted such other financial studies, analyses, and investigations, and considered such other information as we deemed necessary or appropriate.

In connection with our review, at your direction, we have not assumed any responsibility for independent verification for any of the information reviewed by us for the purpose of this opinion and have, with your consent, relied on such information being complete and accurate in all material respects. In addition, at your direction, we have not made any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of the Company or BC Caribbean Operations, nor have we been furnished with any such evaluation or appraisal. We have also assumed, with your approval, that the future financial results referred to above will be achieved at the times and in the amounts projected by management of the Company and BC Caribbean Operations. With respect to the financial forecasts, estimates, pro forma effects and calculations of synergies referred to above, we have assumed, at your direction, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company and BC Caribbean Operations as to the future performance of their respective companies. We have assumed that the terms and conditions of the US\$180 million in nominal value of preferred shares will be consistent with the financial forecasts. We have also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any material adverse effect on the Company and/or BC Caribbean Operations and the Transaction. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof.

Notwithstanding the above, no factual circumstance has come to our attention that would cause us not to rely on the Materials, the extent provided for herein, as of the date hereof. This opinion has been prepared solely for the information of the Fairness Committee of the Board of Directors of the Company in connection with the Transaction and shall not be reproduced, summarised, described or referred to, provided to any person or otherwise be made public or used for any other purpose without the prior written consent of UBS Warburg LLC, which will not be unreasonably withheld.

In rendering this opinion, we have not been engaged to act as an agent or fiduciary of the Company, its directors, the Fairness Committee or its shareholders and have not acted in such capacity. Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Consideration is fair, from a financial point of view, to the Minority Shareholders.

Yours very truly,



UBS Warburg LLC

5. UBS Warburg Letter



July 10, 2002

The Special Committee of the Board of Directors
CIBC West Indies Holdings Limited
CIBC Centre, Warrens, St. Michael
Barbados, W.I.

Dear Members of the Committee

We are writing further to our letter dated October 28, 2001 to the Fairness Committee of the Board of Directors of CIBC West Indies Holdings Limited, a Barbadian corporation (the "Company"). UBS Warburg LLC ("UBS Warburg") has acted as financial advisor to the Fairness Committee of the Board of Directors of the Company in connection with the proposed combination of the Caribbean retail, corporate and offshore banking operations of the Company and its subsidiaries with the Caribbean retail, corporate and offshore banking operations of Barclays Bank PLC to create FirstCaribbean International Bank TM, and has delivered to the Fairness Committee of the Board of Directors of the Company an opinion dated October 28, 2001 (the "Opinion"). Since the date of such Opinion, after reviewing the interim financial statements of the Company and meeting with management of the Company, UBS Warburg has not become aware of anything that would alter the conclusions reached in, or otherwise affect in any material respect, such Opinion.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Joe Byle".

A handwritten signature in cursive script, appearing to read "Guy".

UBS Warburg LLC

PART X: AUDITORS' REPORT AND THE CIBC WEST INDIES HOLDINGS LIMITED FIVE YEAR SUMMARY OF THE AUDITED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED OCTOBER 31, 2001

Note: These results include the financial results and position of the CIBC wealth management business (via the B shares of CIBC Bank and Trust (Cayman) Limited) which will be excluded from the Combination. Assets and liabilities associated with the Wealth Management division of CIBC Bank and Trust (Cayman) Limited are not included in the proposed combination. The assets and liabilities of this division amounted to BBD\$1.7 billion in 2001 and BBD\$1.2 billion in 2000. Income before taxation and minority interest from this division amounted to BBD\$31.3 million in 2001 and BBD\$21.8 million in 2000, all of which is attributable to minority interest.

November 27, 2001


Auditors' Report

**To the Directors of
CIBC West Indies Holdings Limited**

We have audited the consolidated financial statements of CIBC West Indies Holdings Limited for the years ended October 31, 2001, 2000, 1999, 1998, 1997 and 1996 from which the accompanying summarized balance sheets and income statements were derived, in accordance with International Standards on Auditing. We expressed unqualified opinions in the auditors' reports issued in connection with our audits of the financial statements from which the summarized balance sheets and income statements were derived.

In our opinion, the accompanying summarized balance sheets and income statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the company's financial position and the results of its operations for the periods and of the scope of our audits, the summarized balance sheets and income statements should be read in conjunction with the financial statements from which the summarized financial statements were derived and our audit reports thereon.


Chartered Accountants

Antigua Donald B. Ward Charles W. A. Walwyn Robert J. Wilkinson
Barbados Anthony G. Ellis Wayne I. Fields William StC. Hutchinson Marcus A. Hatch Philip St. E. Atkinson Michael R. Boyce (Principal) R. Michael Bynoe
Joyce E. Dear Maurice A. Franklin Geoffrey R. Gregory Stephen A. Jardine Graham A. Kirby J. Andrew Marryshow Lindell E. Nurse
Brian D. Robinson Maria E. Evelyn-Robinson Christopher S. Sambrano Paul Tadros R. Charles D. Tibbits
Grenada Colin W. Dathorne
St. Lucia Anthony D. Atkinson Richard N. C. Peterkin

CIBC WEST INDIES HOLDINGS LIMITED

FIVE YEAR STATISTICAL REVIEW

Condensed Consolidated Balance Sheets As At October 31

ASSETS US\$(000)	2001	2000	1999	1998	1997
Cash resources	1,371,939	924,815	980,643	406,513	386,276
Securities	1,208,933	1,124,996	789,471	229,254	225,118
Loans	1,880,287	1,705,592	1,581,026	1,212,272	1,015,445
Acceptances	5,794	21,440	826	800	2,266
Net investment in leases	1,527	2,111	2,698	3,409	3,031
Property and equipment	69,057	61,714	60,201	37,588	31,141
Other assets	<u>56,990</u>	<u>63,696</u>	<u>63,588</u>	<u>59,229</u>	<u>33,518</u>
Total Assets	<u>4,594,527</u>	<u>3,904,364</u>	<u>3,478,453</u>	<u>1,949,065</u>	<u>1,696,795</u>

Liabilities And Shareholders' Equity As At October 31

US\$(000)	2001	2000	1999	1998	1997
Deposits	4,095,869	3,358,435	3,008,184	1,642,887	1,447,889
Acceptances	5,794	21,440	826	800	2,266
Other liabilities	50,585	151,936	139,817	86,618	48,848
Minority interests	116,141	97,688	85,149	19,915	18,661
Common shares	158,190	158,190	158,190	137,490	137,490
Retained earnings	<u>167,948</u>	<u>116,675</u>	<u>86,287</u>	<u>61,355</u>	<u>41,641</u>
Total liabilities and shareholders' equity	<u>4,594,527</u>	<u>3,904,364</u>	<u>3,478,453</u>	<u>1,949,065</u>	<u>1,696,795</u>

CIBC WEST INDIES HOLDINGS LIMITED

FIVE YEAR STATISTICAL REVIEW

Consolidated Statements of Income for the year ended October 31

<u>US\$(000)</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Interest income	300,655	297,457	248,767	174,116	158,589
Interest expense	<u>(158,369)</u>	<u>(156,973)</u>	<u>(126,375)</u>	<u>(74,816)</u>	<u>(73,711)</u>
Net interest income	142,286	140,484	122,392	99,300	84,878
Non-interest income	<u>64,189</u>	<u>63,423</u>	<u>60,143</u>	<u>35,820</u>	<u>31,510</u>
Total income	<u>206,475</u>	<u>203,907</u>	<u>182,535</u>	<u>135,120</u>	<u>116,388</u>
Non-interest expenses	109,260	112,446	105,201	79,606	68,084
Provision for credit losses	<u>5,144</u>	<u>14,301</u>	<u>11,954</u>	<u>7,671</u>	<u>5,139</u>
Total expenses	<u>114,404</u>	<u>126,747</u>	<u>117,155</u>	<u>87,277</u>	<u>73,223</u>
Income Taxes	4,308	3,519	2,014	6,490	7,614
Exceptional/ Extraordinary items	–	–	(1,085)	–	293
Minority interests	<u>(19,959)</u>	<u>(14,851)</u>	<u>(14,768)</u>	<u>(3,845)</u>	<u>(2,282)</u>
Net Income	<u>67,804</u>	<u>58,790</u>	<u>47,513</u>	<u>37,508</u>	<u>33,562</u>

Key Ratios

Profitability

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Return on common equity	23.4%	23.3%	22.3%	19.5%	19.6%
Tax rate	4.7%	4.6%	3.1%	13.6%	17.6%

Assets

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Net interest income on average assets	3.21%	3.70%	3.62%	5.48%	5.02%
Net income before minority interest - return on assets	2.06%	1.96%	2.07%	2.28%	2.12%

CIBC WEST INDIES HOLDINGS LIMITED

FIVE YEAR STATISTICAL REVIEW

Credit Quality

(US\$(000) except %)	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Net impaired loans	49,471	47,005	55,477	35,506	20,720
Net impaired loans to total net loans	1.9%	2.1%	2.6%	1.0%	1.4%

Liquidity

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Cash resources to total assets	29.9%	23.7%	28.2%	20.9%	22.8%
Securities to total assets	26.3%	28.2%	22.7%	11.8%	13.3%

Capital and Related

(US\$(000) except %)	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Average common shareholders' equity	319,889	268,123	230,440	192,473	171,210
Average assets	4,426,634	3,745,300	3,377,496	1,810,761	1,689,642
Average assets to average common equity	13.8%	14.0%	14.7%	9.4%	9.9%
Regulatory Tier 1 capital ratio	19.4%	17.7%	17.8%	17.9%	16.9%
Regulatory total capital ratio	19.4%	17.7%	17.8%	18.2%	16.9%

Productivity And Related

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Non-interest expenses to revenue ratio	52.9%	55.2%	58.2%	58.9%	58.5%
Full-time equivalent employees	1,676	1,666	1,679	1,577	1,411
Number of branches	43	43	40	38	32
Number of automated banking machines	49	45	38	36	34

CIBC WEST INDIES HOLDINGS LIMITED

FIVE YEAR STATISTICAL REVIEW

Common Shares as at October 31

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Number of shares outstanding ('000's)	611,810	611,810	611,810	440,310	440,310
Average number outstanding ('000's)	611,810	611,810	568,935	440,310	440,310
Fully diluted	611,810	611,810	568,935	440,310	440,310

Common Share Information as at October 31

<u>(US\$(000) except %)</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Earnings per share	\$0.111	\$0.095	\$0.084	\$0.850	\$0.760
Price ⁽¹⁾ high	\$1.675	\$1.825	\$2.00	\$3.00	\$1.10
low	\$1.425	\$1.475	\$1.80	\$1.10	\$0.70
close	\$1.625	\$1.475	\$1.83	\$2.00	\$1.10
Dividends per share	\$0.025 ⁽²⁾	\$0.045	\$0.040	\$0.040	\$0.035
Dividend yield	1.5%	3.1%	2.2%	2.0%	3.2%
Payout ratio	22.5% ⁽²⁾	46.8%	44.3%	47.0%	45.9%
Price - to - earnings ratio	14.6	15.3	21.8	23.5	14.4
Book value	\$0.535	\$0.445	\$0.40	\$0.45	\$0.405
Price to book value	3.05	3.31	4.57	4.43	2.70

n/a - information not applicable

⁽¹⁾ Price as quoted on the Barbados Stock Exchange Inc.

⁽²⁾ The board of Directors approved a final dividend of 6 cents per share on November 27, 2001, payable on January 11, 2001, which is not reflected in these numbers.

**PART XI: AUDITORS' REPORT AND THE CIBC WEST INDIES HOLDINGS
LIMITED AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED OCTOBER 31, 2001**

Note: These results include the financial results and position of the CIBC wealth management business (via the B shares of CIBC Bank and Trust (Cayman) Limited) which will be excluded from the Combination. Assets and liabilities associated with the Wealth Management division of CIBC Bank and Trust (Cayman) Limited are not included in the proposed combination. The assets and liabilities of this division amounted to BBD\$1.7 billion in 2001 and BBD\$1.2 billion in 2000. Income before taxation and minority interest from this division amounted to BBD\$31.3 million in 2001 and BBD\$21.8 million in 2000, all of which is attributable to minority interest.

PricewaterhouseCoopers
The Financial Services Centre
Bishop's Court Hill
P.O. Box 111
St. Michael
Barbados, W.I.
Telephone (246) 431-2700
(246) 436-7000
Facsimile (246) 429-3747
(246) 436-1275

November 27, 2001

Auditors' Report

**To the Shareholders of
CIBC West Indies Holdings Limited**

We have audited the consolidated balance sheet of **CIBC West Indies Holdings Limited** as of October 31, 2001 and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the company as of October 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards.


Chartered Accountants

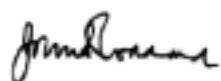
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St. Lucia Anthony D. Atkinson Richard N. C. Peterkin

CIBC WEST INDIES HOLDINGS LIMITED

Consolidated Balance Sheet

		As at October 31	
		2001	2000
		Bds\$(000)	Bds\$(000)
Assets			
Cash resources	(Note 3)	2,743,877	1,849,630
Securities	(Note 4)	2,417,865	2,249,992
Loans	(Note 5)	3,760,574	3,411,184
Net investment in leases	(Note 6)	3,055	4,221
Property and equipment	(Note 7)	138,114	123,427
Acceptances		11,587	42,880
Other assets	(Note 8)	<u>113,982</u>	<u>127,393</u>
Total assets		<u>9,189,054</u>	<u>7,808,727</u>
Liabilities			
Deposits	(Note 9)	8,191,737	6,716,869
Acceptances		11,587	42,880
Other liabilities	(Note 10)	<u>101,172</u>	<u>303,874</u>
Total liabilities		<u>8,304,496</u>	<u>7,063,623</u>
Minority interests		<u>232,282</u>	<u>195,375</u>
Shareholders' equity (Note 11)			
Share capital		316,380	316,380
Retained earnings		<u>335,896</u>	<u>233,349</u>
Total shareholders' equity		<u>652,276</u>	<u>549,729</u>
Total shareholders' equity and liabilities		<u>9,189,054</u>	<u>7,808,727</u>

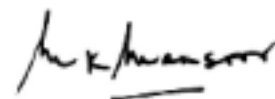
Approved by the Board on November 27, 2001



Sir John Goddard
Chairman



John Riviere
Chief Financial Officer



Michael Mansoor
Director

CIBC WEST INDIES HOLDINGS LIMITED

**Consolidated Statement of Changes in Shareholders' Equity
for the year ended October 31, 2001**

	No. of shares	Share Capital Bds\$(000)	Retained Earnings Bds\$(000)	Total Bds\$(000)
Balance at November 1, 1999 - as previously reported	611,809,563	316,380	172,574	488,954
Effect of adopting IAS 19 revised (Note 16)	-	-	3,169	3,169
Balance at November 1, 1999 – restated	611,809,563	316,380	175,743	492,123
Net income for the year				
Restated for the effect of the adoption of IAS 19 revised	-	-	117,582	117,582
Dividends	-	-	(55,063)	(55,063)
Foreign currency translation difference	-	-	(4,913)	(4,913)
Balance at October 31, 2000	611,809,563	316,380	233,349	549,729
Balance at November 1, 2000 - as previously reported	611,809,563	316,380	230,296	546,676
Effect of adopting IAS 19 revised (Note 16)	-	-	3,053	3,053
Balance at November 1, 2000 restated for the effect of the adoption of IAS 19 revised	611,809,563	316,380	233,349	549,729
Net income for the year	-	-	135,609	135,609
Dividends	-	-	(30,590)	(30,590)
Foreign currency translation difference	-	-	(2,472)	(2,472)
Balance at October 31, 2001	611,809,563	316,380	335,896	652,276

Note :

The cumulative balance in the foreign currency translation account is (\$13.2 million), 2000 (\$10.8 million).

CIBC WEST INDIES HOLDINGS LIMITED

Consolidated Statement of Income

		Year Ended October 31	
		2001	2000
		Bds\$(000)	Bds\$(000)
Interest income	(Note 12)	601,309	594,914
Interest expense		<u>(316,737)</u>	<u>(313,945)</u>
Net interest income		284,572	280,969
Non-interest income	(Note 13)	<u>128,378</u>	<u>126,846</u>
		<u>412,950</u>	<u>407,815</u>
Non-interest expenses	(Note 14)	218,519	224,891
Provision for credit losses	(Note 5)	<u>10,287</u>	<u>28,602</u>
Total expenses		<u>228,806</u>	<u>253,493</u>
Income before taxation and minority interests		184,144	154,322
Taxation	(Note 15)	<u>8,616</u>	<u>7,038</u>
Income before minority interests		175,528	147,284
Minority interests		<u>(39,919)</u>	<u>(29,702)</u>
Net income		<u>135,609</u>	<u>117,582</u>

Average number of common shares outstanding (000's) ⁽¹⁾	611,809	611,809
Net income per common share in cents	22.2	19.2
Dividends per common share in cents ⁽²⁾	5.0	9.0

(1) Common shares outstanding is the weighted average number of shares outstanding on a daily basis

(2) The Board of Directors approved a final dividend of 6 cents per share on November 27, 2001, payable on January 11, 2002, which is not reflected in these numbers.

CIBC WEST INDIES HOLDINGS LIMITED

Consolidated Statement of Cash Flows

	Year Ended October 31	
	2001	2000
	Bds\$(000)	Bds\$(000)
Cash flows from operating activities		
Income before taxation and minority interests	184,144	154,322
Provision for credit losses	10,287	28,602
Depreciation and amortisation	23,108	17,751
Operating income before changes in operating assets and liabilities	217,539	200,675
Increase in securities, net of disposal	(74,513)	(622,298)
Increase in loans and leases, net of payments	(358,511)	(296,776)
(Decrease)/increase in other assets and liabilities, net	(118,389)	62,734
Increase in deposits, net of withdrawals	1,474,868	652,041
Cash generated from/(used in) operating activities	1,140,994	(3,624)
Corporate taxes paid	(16,914)	(12,692)
Net cash from/(used in) operating activities	1,124,080	(16,316)
Cash flows used in financing activities		
Dividends paid	(61,180)	(48,944)
Net cash used in financing activities	(61,180)	(48,944)
Cash flows used in investing activities		
Purchase of subsidiaries	(93,360)	-
Increase in property, plant and equipment, net	(40,756)	(15,404)
Net cash used in investing activities	(134,116)	(15,404)
Effects of exchange rate changes on cash and cash equivalents	(16,648)	(28,682)
Net increase/(decrease) in cash and cash equivalents for the year	912,136	(109,346)
Cash and cash equivalents, beginning of year	1,849,554	1,958,900
Cash and cash equivalents, end of year	2,761,690	1,849,554
Cash resources	2,743,877	1,849,630
Cheques and other items in transit, net	17,813	(76)
Cash and cash equivalents, end of year	2,761,690	1,849,554

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

1. COMPANY IDENTIFICATION

The Company was incorporated in Barbados on May 7, 1993 and is a subsidiary of CIBC Holdings (Cayman) Limited, a company incorporated in The Cayman Islands, which is a wholly owned subsidiary of Canadian Imperial Bank of Commerce (CIBC), a company incorporated in Canada. The Company's registered office is CIBC Centre, Warrens, St. Michael, Barbados.

The principal activities of the Company and its subsidiaries (the Group) are banking and bank related activities. The Group operates in 7 countries and employs over 1,600 people.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are prepared in accordance with International Accounting Standards and are prepared under the historical cost convention, except for the inclusion of certain fixed assets at valuation.

These financial statements are expressed in thousands of Barbados dollars.

Consolidation

The consolidation of CIBC West Indies Holdings Limited includes the following subsidiaries:

- CIBC Caribbean Limited - 100% owned, incorporated in Barbados;
- CIBC Bahamas Limited - 90.9% owned, incorporated in The Bahamas;
- CIBC West Indies Offshore Banking Corporation - 100% owned, incorporated in Barbados;
- CIBC Jamaica Limited – 81.9% owned, incorporated in Jamaica;
- CIBC Bank and Trust Company (Cayman) Limited – 51% owned, incorporated in The Cayman Islands.

Subsidiary undertakings, which are those companies in which the Company directly or indirectly has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been fully consolidated. Inter-company balances and transactions have been eliminated.

Securities

Securities are carried at cost or amortized cost, except for traded securities which are stated at market values. Equity securities of companies over which the Company does not have significant influence are carried at cost. A reduction in market value is not taken into account unless it is considered permanent.

Interest earned and dividend income, gains or losses on the sale of securities, the amortization of premiums and discounts and adjustments to record other than temporary declines in value of securities held for investment are included in interest income.

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

2. Summary of Significant Accounting Policies...continued

Interest income and expenses

Interest income and expenses are recognized in the income statement on the accruals basis. Interest income is suspended on loans where repayment of principal or payment of interest is contractually 3 months in arrears, except in the case of the trust and merchant banks' operations where a loan is classified if in arrears for 4 months or more and is excluded from interest income until received.

Loans

Loans are stated net of unearned income and of the allowance for credit losses.

A loan is classified as non-accrual when, in the opinion of management, there are reasonable indications that a loss may be suffered by the company either as to principal or interest, or if there are other circumstances which indicate that the account will prove difficult to collect in full within a reasonable period.

When a loan is classified as non-accrual, any uncollected interest is recorded as part of the loan's carrying value for the purpose of determining the loan's estimated realizable value. Interest received on a loan subsequent to its classification as non-accrual is not recorded as income until such time as any prior write-off has been recovered or any specific allowance has been reversed and it is deemed that the loan principal is no longer at risk.

Loan fees are recognized as income when earned.

Allowances for credit losses

Management establishes and maintains allowances for credit losses at levels which it considers the best possible estimate of probable credit-related losses in relation to the Group's portfolio of on and off balance sheet items in the light of current conditions. The allowances for credit losses consist of specific amounts which are deducted from the related asset categories as well as specific allowances relating to acceptances and off balance sheet items which are carried in other liabilities.

Management conducts on-going credit assessment of the portfolio on an account-by-account basis and establishes allowances when doubtful accounts are identified. Charges in respect of credit losses are included in the determination of net income.

Acceptances

The Group's potential liability under acceptances is reported as a liability in the consolidated balance sheet. The recourse against the customer in the event of a call on any of these commitments is reported as a corresponding asset of the same amount.

Computer software development costs

Generally, costs associated with the developing of computer programs are recognized as an expense as incurred. However, expenditure that enhances and extends the benefits of

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies...continued

Computer software development costs...continued

computer software programs beyond their original specifications and lives is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over a two-year period.

Costs associated with the maintenance of existing computer software programs are expensed as incurred.

Property and equipment

All property and equipment are stated at historical cost, except for certain assets at valuation (see Note 7), less depreciation.

Depreciation is computed at rates considered adequate to write-off the cost of depreciable assets, less salvage, over their useful lives. The annual rates used are:

Buildings	2½% straight line
Leasehold improvements	10% straight line or over term of lease
Computer equipment	10% to 30% straight line
Office furniture and other equipment	10% to 30% straight line

Income under finance leases

Income under finance leases is recognized in a manner which produces a constant rate of return on the net investment in leases.

Deferred taxes

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred taxes.

The principal temporary differences arise from depreciation on property and equipment, provisions for pensions and tax losses carried forward. Deferred tax assets relating to the carry-forward of unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilized.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Barbados dollars at rates prevailing at the date of the financial statements and non-monetary assets and liabilities are translated at historic rates. Revenue and expenses denominated in foreign currencies are translated into Barbados dollars using prevailing average monthly exchange rates. Realized and unrealized gains and losses on foreign currency positions are reported in

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

2. Summary of significant accounting policies...continued

Foreign currency translation...continued

income of the current year. Translation adjustments of investment positions in foreign entities are reported in retained earnings.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is intention to settle on a net basis.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash balances, deposits with Central Banks, and amounts due from other banks.

Pension Obligations

The Group operates a number of defined benefit plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from the relevant Group companies, taking account of the recommendations of independent qualified actuaries.

For defined benefit plans, accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the lives of the employees in accordance with the advice of qualified actuaries who value the plans once every three years. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. All actuarial gains and losses are spread forward over the average remaining service lives of the employees.

In 2001 the Group implemented IAS 19 (revised) Employee Benefits and accounted for the transitional asset by adjusting retained earnings at November 1, 1999 (note 16).

Comparatives

Where necessary, comparative figures have been adjusted to comply with changes in presentation in the current year, in particular, the adoption of IAS 19 (revised).

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

3. CASH RESOURCES

	2001	2000
	<u>Bds\$(000)</u>	<u>Bds\$(000)</u>
Cash	249,084	68,375
Deposits with Central Banks – interest bearing	16,006	32,993
Deposits with Central Banks – non-interest bearing	205,373	215,089
Deposits with other banks	<u>2,273,414</u>	<u>1,533,173</u>
	<u>2,743,877</u>	<u>1,849,630</u>

The effective yield on cash resources was 2.9% (2000 - 5.8%) during the year. Cash balances and balances with Central Banks include mandatory reserve deposits of \$266 million (2000 – \$285 million). These funds are not available to finance the Bank's day to day operations.

4. SECURITIES

	Years to maturity				2001	2000
	<u>Within 1</u>	<u>Over 1 to</u>	<u>Over 5 to</u>	<u>Over 10</u>		
	<u>Year</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Years</u>		
	Bds\$(000)					
Securities issued or guaranteed by Governments:						
Treasury bills	83,314	-	-	-	83,314	95,693
Debentures	11,276	7,591	35,000	28,865	82,732	237,601
Debt securities	41,006	37,522	77,647	55,688	211,863	84,477
Other:						
Debt securities	934,342	24,000	20,000	-	978,342	1,011,193
Equity securities	<u>820,439</u>	<u>-</u>	<u>-</u>	<u>241,175</u>	<u>1,061,614</u>	<u>821,028</u>
	<u>1,890,377</u>	<u>69,113</u>	<u>132,647</u>	<u>325,728</u>	<u>2,417,865</u>	<u>2,249,992</u>
Estimated market value					<u>2,551,309</u>	<u>2,359,234</u>

The effective yield on securities during the year was 7.9% (2000 - 6.8%).

Equity securities include an 8.82% interest in Republic Bank Limited of Trinidad and Tobago, and a 10% interest in Life of Barbados Ltd.

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

5. LOANS

	Years to maturity				2001 Total	2000 Total
	Within 1 Year	Over 1 to 5 Years	Over 5 to 10 Years	Over 10 Years		
	Bds\$(000)					
Mortgages	62,437	46,578	173,293	804,334	1,086,642	975,068
Personal loans	161,946	228,285	184,443	91,809	666,483	663,475
Business loans	852,269	509,687	450,277	154,939	1,967,172	1,767,434
Government securities purchased under resale agreements	67,019	-	-	-	67,019	28,904
	<u>1,143,671</u>	<u>784,550</u>	<u>808,013</u>	<u>1,051,082</u>	<u>3,787,316</u>	<u>3,434,881</u>
Less: Allowance for credit losses					<u>(26,742)</u>	<u>(23,697)</u>
					<u>3,760,574</u>	<u>3,411,184</u>

The effective yield on loans was 9.6% (2000 - 10.8%) during the year.

The movement in the allowance for credit losses during the year was as follows:

	<u>2001</u> <u>Bds\$(000)</u>	<u>2000</u> <u>Bds\$(000)</u>
Balance, beginning of year	23,697	29,042
Provided during the year	10,287	28,602
Recoveries	6,336	2,140
Write offs	<u>(13,578)</u>	<u>(36,087)</u>
Balance, end of year	<u>26,742</u>	<u>23,697</u>

As at October 31, 2001 gross loans with principal balances outstanding of \$99 million (2000 - \$94 million) were in non-performing status.

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

6. NET INVESTMENT IN LEASES

	2001	2000
	Bds\$(000)	Bds\$(000)
Total minimum lease payments receivable	3,529	5,167
Unearned income	(474)	(946)
	<u>3,055</u>	<u>4,221</u>

Future minimum lease payments are receivable as follows:

	2001	2000
	Bds\$(000)	Bds\$(000)
2001	-	1,384
2002	1,101	1,208
2003	1,435	979
2004	865	1,489
2005	118	102
2006 and thereafter	10	5
	<u>3,529</u>	<u>5,167</u>

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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7. PROPERTY AND EQUIPMENT

	<u>Land</u>	<u>Buildings</u>	<u>Furniture & Equipment</u>	<u>Leasehold Improvements</u>	<u>Total</u>
Bds\$(000)					
Cost or valuation					
Balance, October 31, 2000	12,148	51,425	109,060	16,015	188,648
Additions	3,748	10,332	25,109	2,139	41,328
Disposals	-	(374)	(5,879)	(806)	(7,059)
Balance, October 31, 2001	<u>15,896</u>	<u>61,383</u>	<u>128,290</u>	<u>17,348</u>	<u>222,917</u>
Accumulated depreciation					
Balance, October 31, 2000	-	6,336	52,513	6,372	65,221
Charge for the year	-	1,847	19,775	1,486	23,108
Disposals	-	(374)	(5,493)	(620)	(6,487)
Foreign currency translation adjustment	9	83	2,807	62	2,961
Balance, October 31, 2001	<u>9</u>	<u>7,892</u>	<u>69,602</u>	<u>7,300</u>	<u>84,803</u>
Net book values					
October 31, 2001	<u>15,887</u>	<u>53,491</u>	<u>58,688</u>	<u>10,048</u>	<u>138,114</u>
October 31, 2000	<u>12,148</u>	<u>45,089</u>	<u>56,547</u>	<u>9,643</u>	<u>123,427</u>

The land and buildings of CIBC Jamaica Limited were revalued on May 1, 1994 by The C.D. Alexander Company Realty Limited to \$6.9 million. Accordingly the company has included in the carrying value of land and buildings its share of the appraisal excess of \$3.8 million.

8. OTHER ASSETS

	<u>2001 Bds\$(000)</u>	<u>2000 Bds\$(000)</u>
Prepayments and deferred items	5,518	13,152
Cheques and other items in transit, net	24,234	5,946
Accrued interest receivable	44,104	34,688
Taxation recoverable	3,284	-
Deferred taxation	2,104	-
Due from other CIBC branches and affiliates	2,859	2,745
Other	31,879	70,862
	<u>113,982</u>	<u>127,393</u>

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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9. DEPOSITS

	Payable on a fixed date					2001 Total	2000 Total
	Payable on demand	Payable after notice	Within 1 year	Over 1 to 5 years	Over 5 to 10 years		
	Bds\$(000)						
Individuals	278,367	825,858	1,062,847	744,487	318	2,911,877	2,751,560
Business and Governments	1,586,983	92,567	1,645,685	988,746	1,670	4,315,651	3,398,208
Banks	75,075	634,958	154,300	99,876	-	964,209	567,101
	<u>1,940,425</u>	<u>1,553,383</u>	<u>2,862,832</u>	<u>1,833,109</u>	<u>1,988</u>	<u>8,191,737</u>	<u>6,716,869</u>

The effective rate of interest on deposits was 4.25% (2000 - 4.75%) during the year.

10. OTHER LIABILITIES

	2001 Bds\$(000)	2000 Bds\$(000)
Cheques and other items in transit, net	6,421	6,022
Due to other CIBC branches and affiliates	20,471	182,757
Due to Parent company	6,483	4,655
Accrued interest payable	28,329	47,761
Taxation payable	5,071	3,903
Deferred taxation	7,501	9,196
Dividends payable	-	30,590
Due to banks	12,892	5,596
Other	14,004	13,394
	<u>101,172</u>	<u>303,874</u>

11. SHAREHOLDERS' EQUITY

(a) Share Capital

The company is authorized to issue an unlimited number of common and redeemable preference shares of no nominal or par value. At October 31, 2001 there were 611,809,563 (2000 - 611,809,563) common shares issued and outstanding. The Company has allocated nine million shares to its Employee Share Ownership Plan. To date no shares have been issued to employees.

(b) Reserves

Included in retained earnings are statutory reserves of \$86 million (2000 - \$78 million) which are non-distributable. These statutory reserves represent accumulated transfers from retained earnings in accordance with local legislation.

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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12. INTEREST INCOME

	2001	2000
	Bds\$(000)	Bds\$(000)
Loans	343,895	357,896
Securities	225,221	111,125
Lease financing	619	736
Other	31,574	125,157
	<u>601,309</u>	<u>594,914</u>

13. NON-INTEREST INCOME

	2001	2000
	Bds\$(000)	Bds\$(000)
Fees and commissions	85,885	91,080
Foreign exchange	30,489	34,213
Other	12,004	1,553
	<u>128,378</u>	<u>126,846</u>

14. NON-INTEREST EXPENSES

	2001	2000
	Bds\$(000)	Bds\$(000)
Staff costs	110,876	114,694
Depreciation and amortisation	23,108	17,751
Property (excluding depreciation and amortisation)	40,202	32,401
Other	44,333	60,045
	<u>218,519</u>	<u>224,891</u>

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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15. TAXATION

	2001	2000
	Bds\$(000)	Bds\$(000)
Current taxes	12,415	3,778
Deferred taxes	<u>(3,799)</u>	<u>3,260</u>
	<u>8,616</u>	<u>7,038</u>

The tax on the operating income differs from the amount that would arise using the statutory tax rate of the parent company as follows:

Tax calculated at 40%	73,658	61,551
Effect of different tax rates in other countries	(59,629)	(45,972)
Tax effect of income not subject to taxation	(4,928)	(6,541)
Tax effect of income subject to tax rates ranging from 12.5% to 15%	(4,764)	(3,167)
Tax allowances	(93)	(940)
Tax effect of amounts not deductible for tax purposes	1,778	4,140
Previous years' under/(over) provisions	<u>2,594</u>	<u>(2,033)</u>
	<u>8,616</u>	<u>7,038</u>

Deferred tax assets and liabilities consist of the following components:

Deferred tax liabilities

Pension benefits	4,577	4,159
Accelerated tax depreciation	<u>2,924</u>	<u>5,037</u>
	<u>7,501</u>	<u>9,196</u>

Deferred tax asset

Tax losses	<u>2,104</u>	<u>-</u>
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The Group has tax losses of \$33 million (2000 - \$23 million) for which no deferred tax assets have been recognised.

16. PENSION PLANS

The Group has established a number of pension schemes covering substantially all employees. The transitional asset under revised IAS 19 was calculated at October 31, 1999; the asset of \$6.987 million, net of deferred taxes and minority interest of \$3.818 million was

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

16. Pension plans...continued

adjusted to shareholder's equity in accordance with the benchmark treatment in IAS 8 and prior year net income was decreased by \$0.116 million.

The amounts recognized in the balance sheet are as follows:

	2001	2000
	Bds\$(000)	Bds\$(000)
Fair value of plan assets	61,300	57,220
Present value of funded obligations	<u>(51,940)</u>	<u>(48,960)</u>
	9,360	8,260
Unrecognised actuarial gains	<u>(3,240)</u>	<u>(700)</u>
Net assets recognized in the balance sheet (included in other assets (Note 8))	<u>6,120</u>	<u>7,560</u>

The amounts recognized in the income statement are as follows:

Current service cost	3,860	3,920
Interest cost	3,340	3,086
Expected return on plan assets	<u>(4,520)</u>	<u>(4,021)</u>
Net amount recognized in the income statement included in staff costs	<u>2,680</u>	<u>2,985</u>

Movement in the asset recognized in the balance sheet:

Balance of beginning of year - effect of adopting IAS 19	7,560	6,987
Pensions cost	(2,680)	(2,985)
Exchange losses	(680)	-
Contributions paid	<u>1,920</u>	<u>3,558</u>
At end of year	<u>6,120</u>	<u>7,560</u>

The principal actuarial assumptions used for accounting purposes were:

Discount rate	6% to 8%	6% to 8%
Expected return on plan assets	7% to 9%	7% to 9%
Future salary increases	4.5% to 7%	4.5% to 7%
Future NIS ceiling increases	4% to 5%	4% to 5%

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

16. Pension plans...continued

The company has standardized all pension plans within the Group. All plans are non-contributory and allow additional voluntary contributions. Most of the plans are final salary defined benefit plans. The plans are valued by independent actuaries every three years using the projected unit credit method.

(a) CIBC Jamaica Limited

A valuation of the pension plans of CIBC Jamaica Limited was completed as at October 31, 1999.

(b) CIBC Caribbean Limited

The last actuarial valuation was conducted as at November 1, 1998 and revealed a fund surplus of \$0.7 million. The company has complied with all the recommendations of the actuary.

(c) CIBC Bahamas Limited

A local pension plan has been established. Negotiations with the trustees of the CIBC International plan for transfer of assets to the local plan are at an advanced stage.

(d) CIBC Bank and Trust Company (Cayman) Limited

Up to May 31, 1998 the majority of the Company's employees participated in either a contributory or non-contributory defined benefit pension plan. The Company's contribution to these plans was borne entirely by the ultimate parent company and, consequently, the Company has recorded no expense or liability in respect of these plans. The latest actuarial valuation for both plans was performed on October 31, 1994, which indicated that both plans were fully funded.

As a result of the introduction of new pension legislation in The Cayman Islands, the defined benefit pension plans were frozen as at May 31, 1998. Currently an actuarial valuation is being performed to determine the funding status of the plans. The outcome of this exercise may result in an additional funding requirement but the amount of any such required funding cannot yet be determined.

The Company is currently developing a new, defined contribution pension plan that will comply with the requirements of The Cayman Islands National Pension Law. Since June 1, 1998, the Company has collected from its employees the contributions required to be made under this legislation. Pending the establishment of a formal plan and the segregation of plan assets, such amounts, along with the contributions required to be made by the Company have been placed on deposit with the Company. Contributions of \$0.8 million (2000 - \$1.0 million) were charged against income during the year.

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

17. RELATED PARTY TRANSACTIONS

Interest income includes \$22.9 million (2000 - \$24.1 million) and interest expense \$39.4 million (2000 - \$8.7 million) earned from and paid to other CIBC entities.

In the normal course of business the parent company provides banking and support services, for which \$1.6 million (2000 - \$3.1 million) was charged during the year.

At October 31, 2001 deposits maintained with other CIBC entities amounted to \$791million (2000 - \$551 million).

18. CONTINGENT LIABILITIES

Certain subsidiaries of the Group are the subject of legal actions from the normal course of business. Management considers that the liability, if any, of these actions would not be material.

19. OFF BALANCE SHEET ITEMS

In the normal course of business various credit related arrangements are entered into to meet the needs of customers and earn income. These financial instruments are subject to the Group's standard credit policies and procedures.

These credit related arrangements were:

	2001 Bds\$(000)	2000 Bds\$(000)
Lines of credit	436,274	678,177
Loan commitments	302,191	365,889
Guarantees and letters of credit	157,364	220,907
	895,829	1,264,973

The geographic distribution of these off balance sheet financial instruments at October 31, 2001 are as follows:

	2001 Bds\$(000)	2000 Bds\$(000)
Bahamas	415,298	407,191
Cayman	88,136	376,432
Barbados	217,534	264,308
Jamaica	35,620	71,722
Eastern Caribbean	139,241	145,320
	895,829	1,264,973

CIBC WEST INDIES HOLDINGS LIMITED
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October 31, 2001

20. COMMITMENTS

Leases

Group companies have obligations under long-term non-cancellable leases for buildings. Future minimum lease payments for such commitments for each of the five succeeding years and thereafter are as follows:

	2001	2000
	<u>Bds\$(000)</u>	<u>Bds\$(000)</u>
2001	-	3,417
2002	5,561	23,197
2003	11,874	5,968
2004	3,796	14,503
2005	3,327	1,950
2006 and thereafter	5,648	889

21. ASSETS HELD IN TRUST BY SUBSIDIARY COMPANIES

Assets held in trust, which are not beneficially owned by the subsidiary companies, but for which the subsidiary companies have responsibility in accordance with trust agreements, have been excluded from the Group's balance sheet date, the book value of these assets amounted to \$38,215 million (2000 - \$41,521 million).

22. FINANCIAL INSTRUMENTS

Concentration of credit risk

Concentration of credit risk may arise from a variety of circumstances including counterparties with similar economic characteristics or geographic locations. The ability of such counterparties to meet contractual obligations would be similarly affected by changing economic, political or other conditions. The maximum amount of credit risk is equivalent to the total value of financial assets indicated in the balance sheet.

Note 23 sets out the geographic location of the Group's assets. No industry segment accounts for more than 20% of total loans. Note 19 sets out the geographic location of off-balance sheet assets.

Interest rate risk

Differences in maturities or re-pricing dates of financial instruments create an interest rate gap and may expose the Group to interest-rate risk. The majority of financial assets and liabilities are priced on a floating basis with reference to rates set by regulators. The effective yields on cash, securities and deposits are disclosed in notes 3, 4 and 9 respectively.

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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22. Financial instruments...continued

Fair value of financial instruments

Fair value represents the amounts at which a financial instrument could be exchanged in an arms-length transaction between willing parties and is best evidenced by quoted market prices, if one exists.

The following methods and assumptions have been used in determining fair values:

(a) Cash resources, acceptances, other assets and other liabilities

Due to the short-term nature of these financial instruments their carrying values are assumed to approximate their fair value.

(b) Securities

The estimated fair values of securities are detailed in Note 4. Where no quoted market price is available amortized cost has been assumed to approximate fair value. For unquoted equity securities fair value has been assumed to be the book values as reflected by that company's accounts.

(c) Loans and net investment in leases

The rates of interest in the portfolio reflect market conditions and their carrying amounts, net of allowances for credit losses, are assumed to reflect their fair values.

(d) Deposits

Deposit liabilities payable on demand are assumed to equal their fair value. Deposits payable after notice or on a fixed date are at rates which reflect market conditions and are assumed to have fair values, which approximate carrying values.

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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23. SEGMENTED INFORMATION

The Group operates in one industry - the financial services industry. Transactions between business segments are on normal business terms and conditions. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance sheet but excluding such items such as taxation, other assets and head offices. The geographic distribution of total income, total expenses and operating profit at October 31 was as follows:

	2001			2000		
	Total Income	Total Expenses	Operating Profit	Total Income	Total Expenses	Operating Profit
	Bds(\$000)					
Bahamas	141,102	62,246	78,856	137,954	64,916	73,038
Cayman	102,620	36,814	65,806	87,637	33,908	53,729
Barbados	98,620	74,257	24,363	101,805	75,765	26,040
Jamaica	69,231	52,998	16,233	74,544	52,747	21,797
Eastern Caribbean	<u>25,581</u>	<u>16,408</u>	<u>9,173</u>	<u>22,970</u>	<u>14,650</u>	<u>8,320</u>
	437,154	242,723	194,431	424,910	241,986	182,924
Eliminations	<u>(24,204)</u>	<u>(24,204)</u>	<u>-</u>	<u>(17,095)</u>	<u>(17,095)</u>	<u>-</u>
	<u>412,950</u>	<u>218,519</u>	<u>194,431</u>	<u>407,815</u>	<u>224,891</u>	<u>182,924</u>

	2001 Bds\$(000)	2000 Bds\$(000)
Total operating profit	194,431	182,924
Provision for loan losses	10,287	28,602
Taxation	8,616	7,038
Minority interest	<u>39,919</u>	<u>29,702</u>
Net Income	<u>135,609</u>	<u>117,582</u>

Total income comprises net interest income and non-interest income.

Operating profit represents income before taxation and minority interests.

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

23. Segmented information...continued

	2001			2000		
	Operating Assets	Operating Liabilities	Capital Expenditure	Operating Assets	Operating Liabilities	Capital Expenditure
	Bds\$(000)					
Bahamas	2,654,794	2,364,379	25,812	2,525,045	2,305,142	16,252
Cayman	3,890,675	3,591,159	950	2,938,234	2,703,303	718
Barbados	1,506,195	1,375,560	2,510	1,108,595	1,034,605	2,572
Jamaica	822,075	752,541	2,035	696,300	628,675	3,946
Eastern Caribbean	435,812	431,423	1,025	482,054	412,132	1,638
	9,309,551	8,515,062	32,332	7,750,228	7,083,857	25,126
Eliminations	(254,820)	(254,820)	—	(98,577)	(98,577)	—
Total operating assets/liabilities	<u>9,054,731</u>	<u>8,260,242</u>	<u>32,332</u>	<u>7,651,651</u>	<u>6,985,280</u>	<u>25,126</u>
Non-operating assets/liabilities:	60,837	44,254	—	89,960	79,312	—
Property and equipment	26,261	—	8,996	20,000	—	2,022
Investments	47,225	—	—	47,116	—	—
Equity	—	652,276	—	—	548,760	—
Minority interest	—	232,282	—	—	195,375	—
Total	<u>9,189,054</u>	<u>9,189,054</u>	<u>43,328</u>	<u>7,808,727</u>	<u>7,808,727</u>	<u>27,148</u>

24. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of shares in issue during the year.

	2001 Bds\$(000)	2000 Bds\$(000)
Net income attributable to shareholders (\$000's)	135,609	117,582
Weighted average number of shares in issue (\$000's)	611,809	611,809
Basic and diluted earnings per share (expressed in cents)	22.2	19.2

CIBC WEST INDIES HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2001

25. BUSINESS COMBINATION

On October 30, 2001, Canadian Imperial Bank of Commerce (“CIBC”) and Barclays Bank PLC (“Barclays”) signed an agreement to combine their retail, corporate and offshore banking operations in the Caribbean to create FirstCaribbean International Bank™ (“FirstCaribbean”).

The proposed transaction would involve Barclays transferring its retail, corporate and offshore banking operations to subsidiaries of CIBC West Indies Holdings Limited (“CIBC West Indies”) in exchange for common shares, and newly created classes of non-voting and preference shares of CIBC West Indies. The proposed combination would result in approximately 45% of the common shares of CIBC West Indies owned by each of Barclays and CIBC and the remaining by the current public shareholders of CIBC West Indies. At that time, CIBC West Indies and its subsidiaries would be renamed FirstCaribbean International Bank Limited, and its subsidiaries would be also be renamed under the FirstCaribbean banner.

It is proposed that upon completion of the combination, the public shareholders of CIBC West Indies be given the opportunity through a rights issue to subscribe for up to a further 58,305,108 shares, which if fully subscribed would increase their proportion of ownership to approximately 13% of common shares.

The Board of Directors of CIBC West Indies have approved the proposed combination, in principle, as being in the best interests of the company and its shareholders. The Board of Directors have received an independent opinion from Ernst & Young’s Toronto Corporate Finance Group that the terms of the proposed combination are fair to all shareholders, and a Fairness Committee of independent directors, have received an independent opinion from UBS Warburg that the terms of the proposed combination are fair to the minority shareholders, specifically.

Implementation of the combination is subject to, among other things, the receipt of certain approvals from government and regulatory authorities, certain approvals of the Board of Directors of CIBC West Indies and its subsidiaries, certain approvals of shareholders to the extent required by law and satisfaction or waiver of certain conditions precedent in the agreement between CIBC and Barclays.

Assets and liabilities associated with the Wealth Management Division of CIBC Bank and Trust (Cayman) Limited are not included in the proposed combination. The assets and liabilities of the Division amount to \$1.7 billion (2000 - \$1.2 billion). Income before taxation and minority interest from this Division amount to \$31.3 million (2000 - \$21.8 million), all of which is attributable to the minority interest.

**PART XII: AUDITORS' REPORT AND BARCLAYS BANK PLC – WEST INDIES
COMBINED FINANCIAL STATEMENTS AS AT AND FOR THE
YEAR ENDED DECEMBER 31, 2001**



PricewaterhouseCoopers
The Financial Services Centre
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P.O. Box 111
St. Michael
Barbados, W.I.
Telephone (246) 431-2700
(246) 436-7000
Facsimile (246) 429-3747
(246) 436-1275

April 26, 2002

Auditors' Report

**To the Directors of
Barclays Bank PLC - West Indies**

We have audited the accompanying combined balance sheet of **Barclays Bank PLC - West Indies** ("the bank") as of December 31, 2001 and the related combined statements of income, changes in head office account and cash flows for the year then ended. These combined financial statements are the responsibility of the bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the bank as of December 31, 2001 and the results of its operations and its cash flows for the year then ended on the basis of preparation as stated in note 2.

Chartered Accountants

Antigua Donald B. Ward Charles W. A. Walwyn Robert J. Wilkinson
Barbados Anthony G. Ellis Wayne I. Fields William StC. Hutchinson Marcus A. Hatch Philip St. E. Atkinson Michael R. Boyce (Principal) R. Michael Bynoe
Joyce E. Dear Maurice A. Franklin Geoffrey R. Gregory Stephen A. Jardine Graham A. Kirby J. Andrew Marrayshow Lindell E. Nurse
Brian D. Robinson Maria E. Evelyn-Robinson Christopher S. Sambrano Paul Tadros R. Charles D. Tibbits
Grenada Colin W. Dathorne
St. Lucia Anthony D. Atkinson Richard N. C. Peterkin

Barclays Bank PLC - West Indies

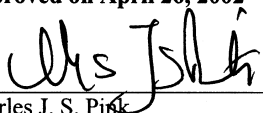
Combined Balance Sheet

As of December 31, 2001

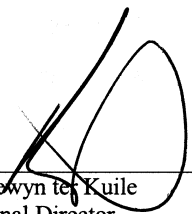
(expressed in thousands of U.S. dollars)

	2001 \$	2000 \$
Assets		
Cash and balances at Central Banks (note 3)	134,700	108,450
Due from other banks (note 4)	2,785,583	2,976,261
Investments (note 5)	203,841	164,834
Loans and advances (note 6)	1,969,628	2,119,213
Other assets (note 7)	54,442	92,871
Property, plant and equipment (note 8)	51,532	55,101
Pension asset (note 9)	40,337	43,958
	<u>5,240,063</u>	<u>5,560,688</u>
Liabilities		
Deposits, current accounts and other borrowings (note 10)	5,029,332	5,329,873
Other liabilities (note 11)	90,347	126,280
	<u>5,119,679</u>	<u>5,456,153</u>
Head Office Account		
Share capital (note 12)	2,924	2,924
Assigned capital (note 13)	5,593	5,593
Reserve fund (note 14)	10,347	8,671
Retained earnings	37,946	21,032
Due to Head Office	63,574	66,315
	<u>120,384</u>	<u>104,535</u>
	<u>5,240,063</u>	<u>5,560,688</u>

Approved on April 26, 2002



Charles J. S. Pink
Regional Director



Boudewyn te Kuile
Regional Director

Barclays Bank PLC - West Indies

Combined Statement of Income

For the year ended December 31, 2001

(expressed in thousands of U.S. dollars)

	2001 \$	2000 \$
Interest income (note 17)	334,118	409,411
Interest expense (note 18)	164,682	226,954
Net interest income	169,436	182,457
Other income		
Commission income	33,418	36,401
Foreign exchange income	21,853	23,940
Rental and other income	1,626	1,535
	56,897	61,876
	226,333	244,333
Operating expenses		
Staff costs (note 21)	65,577	64,574
Other operating expenses	34,404	30,091
Property and equipment expenses	18,093	19,067
Depreciation (note 8)	8,242	8,377
Foreign exchange loss on translation of pension asset (note 9)	1,893	3,735
	128,209	125,844
Charge for bad and doubtful debts	15,353	16,966
	143,562	142,810
Income before taxation	82,771	101,523
Taxation (note 15)	10,181	10,275
Net income for the year	72,590	91,248

Barclays Bank PLC - West Indies

Combined Statement of Changes in Head Office Account

For the year ended December 31, 2001

(expressed in thousands of U.S. dollars)

	Share capital	Assigned capital	Reserve fund	Retained earnings	Due to Head Office	Total
	\$	\$	\$	\$	\$	\$
Balance at December 31, 1999*	2,924	5,593	6,138	12,398	46,004	73,057
Net income for the year	–	–	–	12,285	78,963	91,248
Dividend for 2000	–	–	–	(3,424)	–	(3,424)
Transfer to reserve fund	–	–	452	(227)	(225)	–
Dividends waived	–	–	2,081	–	–	2,081
Transfer to Head Office	–	–	–	–	(58,427)	(58,427)
Balance at December 31, 2000	2,924	5,593	8,671	21,032	66,315	104,535
Net income for the year	–	–	–	12,177	60,413	72,590
Dividend for 2001	–	–	–	(2,689)	–	(2,689)
Transfer to reserve fund	–	–	1,676	–	(1,676)	–
Transfer to Head Office	–	–	–	–	(61,478)	(61,478)
Dividends waived	–	–	–	7,426	–	7,426
Balance at December 31, 2001	2,924	5,593	10,347	37,946	63,574	120,384

*unaudited

Barclays Bank PLC - West Indies

Combined Statement of Cash Flows

For the year ended December 31, 2001

(expressed in thousands of U.S. dollars)

	2001	2000
Cash flows from operating activities		
Income before taxation	82,771	101,523
Charge for bad and doubtful debts	15,353	16,966
Depreciation	8,242	8,377
Foreign exchange loss on translation of pension asset	1,893	3,735
Pension charge	1,728	337
Gain on disposal of property, plant and equipment	(80)	(729)
	<hr/>	<hr/>
Operating income before changes in operating assets and liabilities	109,907	130,209
Decrease in due from other banks	190,678	64,046
Decrease (increase) in loans and advances	134,232	(273,345)
Decrease in other assets	38,429	8,547
Decrease in deposits, current accounts and other borrowings	(300,541)	(139,735)
Decrease in other liabilities and accruals	(26,850)	(13,778)
Net taxation paid	(12,620)	(12,487)
	<hr/>	<hr/>
Net cash from (used in) operating activities	133,235	(236,543)
Cash flows from investing activities		
(Increase) decrease in investments	(39,007)	306,636
Purchase of property, plant and equipment	(5,201)	(5,280)
Proceeds on disposal of property, plant and equipment	608	2,240
	<hr/>	<hr/>
Net cash (used in) from investing activities	(43,600)	303,596
Cash flows from financing activities		
Dividends paid	(1,907)	(4,381)
Remittance to Head Office	(61,478)	(58,427)
	<hr/>	<hr/>
Net cash used in financing activities	(63,385)	(62,808)
Net increase in cash and balances at Central Banks for the year	26,250	4,245
Cash and balances at Central Banks, beginning of year	108,450	104,205
	<hr/>	<hr/>
Cash and balances at Central Banks, end of year	134,700	108,450
	<hr/>	<hr/>

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

1. General information

The branches and entities comprising Barclays Bank PLC – West Indies (“the bank”) are registered under the relevant financial and corporate legislations of 14 countries in the West Indies to carry on banking business. The bank is managed from the Caribbean and Bahamas Regional Office located at Rendezvous, Christ Church, Barbados and the Head Office of the bank is Barclays Bank PLC located at 54 Lombard Street, London, England.

2. Significant accounting policies

Basis of preparation

The combined financial statements have been prepared in connection with the proposed combination between Barclays Bank PLC and CIBC West Indies Holdings Limited that will result in the creation of FirstCaribbean International Bank (note 24).

The reporting enterprise in the combined financial statements, Barclays Bank PLC – West Indies, is the businesses that will be transferred by Barclays Bank PLC to FirstCaribbean International Bank to give effect to the strategic alliance. These businesses have been wholly owned by Barclays Bank PLC throughout the year covered by these financial statements and have been managed as a separate business unit.

Barclays Bank PLC – West Indies is not a group as defined in International Accounting Standard 27, since there is no separate parent company. Accordingly, the combined financial statements have been prepared by aggregating the assets, liabilities, results of operations and cash flows of those Barclays Bank PLC branches and wholly owned entities that will be transferred by the bank into FirstCaribbean International Bank.

The combined financial statements include the assets, liabilities and results of the Retail, Corporate and Offshore Banking business of the bank, along with related treasury activities. They do not include any amounts relating to the Private or Investment banking business. The Investment banking business includes certain structured leasing operations, investments in Argentinean certificates of deposit and the related deposits with other branches of Barclays Bank PLC. All intercompany transactions, balances and unrealized surpluses and deficits on transactions between branches and entities included in the combined financial statements have been eliminated.

The bank’s interest in the net assets of the branches and wholly owned entities that make up the reporting enterprise is represented by the share capital, assigned capital, reserve fund, retained earnings and an amount due to Head Office. These amounts have been aggregated in the combined financial statements and shown together in the balance sheet as “Head Office Account”.

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

2 Significant accounting policies...continued

Branches of Barclays Bank PLC included in these combined financial statements are:

- Anguilla
- Antigua (including Montserrat business)
- Bahamas
- Barbados Domestic and Barbados Offshore
- Belize
- British Virgin Islands
- Caribbean Regional Processing Centre
- Cayman Islands
- Dominica
- Grenada
- St. Kitts
- St. Lucia
- St. Vincent
- Turks and Caicos
- Caribbean and Bahamas Regional Office
- Netherlands Antilles (St. Maarten, Saba and St. Eustatius)

The significant entities included in these combined financial statements are:

- Barclays Finance Corporation of Barbados Limited
- Barclays Finance Corporation (Bahamas) Limited
- Barclays Finance Corporation of the Cayman Islands Limited
- Barclays Finance Corporation of the Leeward and Windward Islands Limited
- Bardco Property Investments Limited
- Palmer Corporation MV

These combined financial statements have been prepared in accordance with International Accounting Standards.

Estimates

Preparation of financial statements in conformity with International Accounting Standards requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

2 Significant accounting policies...continued

Placements at Head Office

Placements at Head Office consist of funds deposited with branches and affiliates of the bank's Head Office. These balances are stated at cost and related income is recognized on an accrual basis.

Investments

Investments comprise debt and equity securities held for liquidity requirements and longer term investment. Debt securities have been classified as originated debt and are carried at amortised cost using the effective yield method, less any provision for impairment. Equity securities have been classified as available-for-sale and are carried at management's estimate of fair value.

Income from investments is recorded on the accrual basis. Interest earned and dividend income, gains and losses on the sale of securities, the amortization of premiums and discounts and adjustments to fair value are included in the statement of income.

Originated loans and advances

Loans and advances originated by the bank by providing money directly to the borrower are categorized as originated loans and carried at amortised cost. Interest income is accounted for on the accrual basis for all loans and advances other than those which are impaired.

Loan fees are recognized in income at the inception of the loan.

Provision for classified debts

A credit risk provision for loan impairment is established if there is objective evidence that the bank will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the estimated present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted based on the interest rate at inception of the loan.

These provisions are considered adequate by management to absorb all credit related losses in its portfolio, including deposits with other banks, loans, acceptances, guarantees, letters of credit and other credit related liabilities.

The change in the provision for bad and doubtful debts, net of recoveries of amounts written-off in prior years is disclosed in the statement of income as the charge for bad and doubtful debts.

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

2 Significant accounting policies...continued

Property, plant and equipment

Property, plant and equipment are stated at cost and depreciation is provided on the straight-line basis at rates considered adequate to write off the cost of the assets over their estimated useful lives.

The annual rates used are:

Freehold buildings	2%
Leasehold improvements	10%
Equipment, vehicles and furniture	20%

Interest rate swaps and hedging

Interest rate swaps are initially recognised in the balance sheet at cost and subsequently are measured at their fair value. Fair values are obtained from discounted cash flow models, using quoted market interest rates. All interest rate swaps are carried as assets when fair value is positive and as liabilities when fair value is negative.

Interest rate swaps have been designated as highly effective hedges of the fair value of certain loans, and hedge accounting has been used for these derivative instruments. Changes in the fair value of the swaps are recorded in the income statement and are matched with the corresponding change in the fair values of the hedged loans that are attributable to market interest rate movements.

Commission income

Fees and commissions are recognized on an accrual basis.

Foreign exchange income

Foreign exchange income relates to income earned from exchanging foreign currencies and is recognized on the accrual basis.

Taxation

Income taxes are accounted for under tax effect accounting using the liability method. Deferred tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The principal temporary differences arise from depreciation of property, plant and equipment and provisions for pensions.

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

2 Significant accounting policies...continued

Foreign currencies

Foreign currency transactions are translated into United States dollars at the exchange rate in effect at the date of the transaction. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into United States dollars at exchange rates ruling at that date and the resulting gain or loss is included in income.

Pension plans

Defined benefit plan

The pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out periodic valuations of the plan. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

Defined contribution plan

The pension cost is charged to expense on the accrual basis and included in staff costs in the statement of income.

3. Cash and balances at Central Banks

	2001	2000
	\$	\$
Cash	60,164	50,246
Balances at Central Banks	74,536	58,204
	<u>134,700</u>	<u>108,450</u>

The bank is required to maintain a percentage of deposit liabilities as cash or deposits with Central Banks and in Government securities. At December 31, 2001 the reserve requirement amounted to \$157,624 (2000 – \$175,295) and eligible holdings amounted to \$238,711 (2000 – \$204,517).

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

4. Due from other banks

	Maturity			2001 Total \$	2000 Total \$
	Less than three months \$	Three months to one year \$	Over one year \$		
Placements at Head Offices and other group companies	2,459,055	234,846	–	2,693,901	2,891,894
Deposits at other banks	56,956	3,810	1,055	61,821	45,320
Items in the course of collection	29,861	–	–	29,861	39,047
	2,545,872	238,656	1,055	2,785,583	2,976,261

The average interest rate earned during the year on balances due from other banks was 4.14% (2000 – 5.94%)

5. Investments

	Maturity				2001 Total \$	2000 Total \$
	Less than one year \$	One to five years \$	Five to ten years \$	Over ten years \$		
Originated debt						
Issued or guaranteed by Government						
Treasury bills	107,168	–	–	–	107,168	75,330
Debt securities	50,715	18,095	8,978	18,581	96,369	89,200
	157,883	18,095	8,978	18,581	203,537	164,530
Available-for-sale						
Equity					304	304
					203,841	164,834

The effective interest rates earned during the year on debt securities and treasury bills ranged from 1.96% to 10% (2000 – 3.82% to 10.3%).

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

6. Loans and advances

	2001	2000
	\$	\$
Loans and advances	2,057,400	2,189,776
Provisions for classified and other debts	72,237	60,961
Interest in suspense	15,535	9,602
	87,772	70,563
	1,969,628	2,119,213
Maturity profile		
Less than 3 months	747,769	640,987
3 months to 1 year	214,626	325,296
1 year to 5 years	601,101	653,086
Over 5 years	493,904	570,407
	2,057,400	2,189,776

The average interest rate earned during the year on loans and advances was 9.14% (2000 – 10.35%).

As at December 31, 2001 loans and advances with principal balances outstanding of \$140,595 (2000 – \$106,000) were accounted for on a non-accrual basis.

The bank's credit exposure on loans by industry sector is not in excess of 20% for any industry segment.

Movement in provisions for classified and other debts:

	2001	2000
Provisions, beginning of year	60,961	48,312
Provisions for bad and doubtful debts	33,206	24,006
Recoveries of bad and doubtful debts	(17,853)	(7,040)
Amounts written off	(4,077)	(4,317)
Provisions, end of year	72,237	60,961

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

7. Other assets

	2001	2000
	\$	\$
Other accounts receivable	46,775	82,199
Prepayments and deferred items	7,667	10,672
	54,442	92,871

8. Property, plant and equipment

	Land and buildings	Equipment and furniture	Vehicles	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Cost					
Balance, beginning of year	37,610	43,543	5,097	22,478	108,728
Purchases	368	2,812	1,422	599	5,201
Disposals	(276)	(215)	(425)	(146)	(1,062)
Assets written off	-	(1,721)	-	-	(1,721)
Balance, end of year	37,702	44,419	6,094	22,931	111,146
Accumulated depreciation					
Balance, beginning of year	(7,613)	(33,437)	(3,177)	(9,400)	(53,627)
Depreciation	(1,143)	(4,729)	(687)	(1,683)	(8,242)
Disposals	12	114	408	-	534
Assets written off	-	1,721	-	-	1,721
Balance, end of year	(8,744)	(36,331)	(3,456)	(11,083)	(59,614)
Net book values					
End of year	28,958	8,088	2,638	11,848	51,532
Beginning of year	29,997	10,106	1,920	13,078	55,101

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

9. Pension asset

The employees of the bank participate in the defined benefit scheme of the Barclays Bank (1951) Pension Plan (“the Barclays plan”). The plan is operated under the segregated fund policy. Annual valuations, in pounds sterling, of the Barclays plan covering the West Indies based staff of the bank are performed by an independent actuary.

Following completion of the proposed combination, active members of the Barclays plan may elect to transfer into a defined benefit pension scheme in the new entity (“the FirstCaribbean plan”). Barclays Bank PLC has agreed to transfer to the FirstCaribbean plan assets sufficient to fully fund a ten-year contribution holiday for FirstCaribbean. Existing pension obligations for those members who do not transfer will continue to be funded by the Barclays plan. The fair value of the plan assets included in these financial statements is the amount that Barclays Bank PLC expects to transfer to the FirstCaribbean plan in accordance with this agreement. The actual amount transferred will be determined on the basis of an actuarial valuation and may differ from the amount included in these financial statements.

The present value of funded obligations has been calculated on the basis that non-active members will elect to remain in the Barclays plan, which will continue to fund all pension payments for these members. The pension obligation to non-active members will not be transferred into FirstCaribbean International Bank, so this obligation is not reflected in these financial statements.

	2001	2000
	\$	\$
Fair value of pension plan assets	182,826	156,461
Present value of funded obligations	(129,284)	(112,503)
Unrecognised actuarial loss	(13,205)	-
	<hr/>	<hr/>
Pension asset in the balance sheet	40,337	43,958
	<hr/>	<hr/>

Unrecognised actuarial gains and losses result from differences between actuarial assumptions and the actual performance of the plan in the year under review. Actuarial gains and losses are recognised only if they exceed 10% of the present value of the defined benefit obligation and 10% of the fair value of any plan asset at the end of the previous reporting period.

The amount recognised in the income statement is as follows:

	2001	2000
	\$	\$
Current service costs	7,227	5,801
Interest cost	7,515	7,610
Expected return on plan assets	(13,014)	(13,074)
	<hr/>	<hr/>
Net amount included in staff costs	1,728	337
	<hr/>	<hr/>
Actual return on plan assets	32,247	13,074
	<hr/>	<hr/>

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

9 Pension asset...continued

The movement in the asset recognised in the balance sheet is as follows:

	2001	2000
	\$	\$
Balance at the beginning of the year	43,958	48,030
Pension charge for the year	(1,728)	(337)
Foreign exchange translation loss	(1,893)	(3,735)
	<hr/>	<hr/>
Balance at the end of the year	40,337	43,958
	<hr/>	<hr/>

The principal actuarial assumptions used were:

	2001	2000
Discount rate	6.5 – 9%	6.5 – 9%
Expected return on plan assets	8 – 10.5%	8 – 10.5%
Future salary increases	5 – 7.5%	5 – 7.5%
Future pension increases	2 – 4.5%	2 – 4.5%

The bank also participates in the Barclays Bank Cayman Islands Retirement Plan (the “BBCIRP”) established specifically for Barclays Group staff in the Cayman Islands. BBCIRP is a defined contribution pension plan and is subject to the provisions of The National Pensions Law of the Cayman Islands. The normal contribution rate under the law is 10% of the employee’s salary, borne equally by the employee and employer. The bank generally contributes 6% for each employee, and will match up to 4% of extra contributions from employees. The amount charged to staff costs during the year for the plan was \$259 (2000 – \$218).

10. Deposits, current accounts and other borrowings

	2001	2000
	\$	\$
Other time deposits	3,078,911	3,548,779
Savings accounts	813,264	803,430
Current and demand accounts	783,011	774,433
Deposits from other banks	166,784	47,655
Deposits with other branches and affiliates of Barclays Bank PLC	187,362	155,576
	<hr/>	<hr/>
	5,029,332	5,329,873
	<hr/>	<hr/>

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

10 Deposits, current accounts and other borrowings... continued

	2001	2000
Maturity profile		
3 months or less	4,826,969	5,013,918
3 months to 1 year	196,967	306,153
1 year to 5 years	5,396	9,654
Over 5 years	-	148
	5,029,332	5,329,873

The effective interest rate for the year on deposits, current accounts and other borrowings was 3.17 % (2000 – 4.31%).

11. Other liabilities

	2001	2000
	\$	\$
Accounts payable and accruals	43,763	70,501
Accrued interest	21,106	20,596
Bills payable	14,614	17,651
Deferred tax liability (Note 15)	4,470	5,219
Taxes payable	3,979	5,669
Interest rate swaps at fair value	2,415	-
Dividends payable	-	6,644
	90,347	126,280

12. Share capital

	Number of authorized shares	Number of issued shares	Share capital \$
Barclays Finance Corporation (Bahamas) Limited	200,000	200,000	1,000
Barclays Finance Corporation of Barbados Limited	200,000	200,000	887
Barclays Finance Corporation of the Cayman Islands Limited	208,500	208,500	501
Barclays Finance Corporation of the Leeward and Windward Islands Limited	150,000	142,500	534
Bardco Property Investments Limited	2,000	2,000	2
			2,924

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

12 Share capital...continued

All shares have no par value except for the shares of Barclays Finance Corporation (Bahamas) Limited which have a par value of US\$5 each, Barclays Finance Corporation of the Cayman Island Limited which have a par value of CI\$2 each and Bardco Property Investments Limited which have a par value of £1 each.

No shares were issued during the year.

13. Assigned capital

Under the relevant financial legislation the West Indies branches are required to maintain assigned capital of at least \$5,593 in the Bahamas, Barbados and Belize.

Barclays Bank PLC maintains assigned capital on behalf of the branches that are regulated by the Eastern Caribbean Central Bank.

14. Reserve fund

This reserve is carried to support various requirements of the financial regulations in Barbados, Belize and St. Lucia.

15. Taxation

	2001	2000
	\$	\$
Taxation Change	10,930	11,294
Current tax	(749)	(1,019)
	<hr/>	<hr/>
Deferred tax	10,181	10,275
	<hr/>	<hr/>

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

15 Taxation...continued

Tax on the bank's income before tax differs from the theoretical amount that would arise using the Barbados statutory tax rate as follows:

	2001	2000
	\$	\$
Income before taxation	<u>82,771</u>	101,523
Tax calculated at the statutory tax rate of 40%	33,108	40,609
Effect of different tax rates in other countries	(26,906)	(33,790)
Effect of income not subject to tax	(1,367)	(1,319)
Effect of income subject to tax at 12.5%	(693)	(906)
Effect of withholding taxes	–	337
Prior year tax reassessments	1,350	–
Effect of expenses not deductible for tax purposes	4,689	5,344
	<u>10,181</u>	<u>10,275</u>

Movement in deferred tax account for the year:

	2001	2000
	\$	\$
Deferred tax (liability) asset – beginning of year	(5,219)	1,873
Deferred tax credit for the year	749	1,019
Deferred tax on pension plan asset (note 9)	–	(8,111)
Deferred tax liability – end of year	<u>(4,470)</u>	<u>(5,219)</u>

The deferred tax liability comprises of tax losses of \$212 (2000 – \$383) which have an expiry date of 2007 and other amounts of \$4,682 (2000 – \$5,602) which have no expiry dates.

16. Related party transactions

In the ordinary course of business the Head Office provides the bank with banking and support services for which \$8,392 was charged (2000 – \$6,462). Other transactions with related parties are disclosed separately in the individual notes.

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

17. Interest income

	2001	2000
	\$	\$
Loans to customers	195,288	212,041
Head Office and other group companies	119,538	178,651
Investments	19,292	18,719
	334,118	409,411

18. Interest expense

	2001	2000
	\$	\$
Other time deposits	125,979	183,366
Savings accounts	24,705	29,521
Head Office and other group companies	12,848	13,063
Current accounts	1,150	1,004
	164,682	226,954

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

19. Contingent liabilities and commitments

The bank conducts business involving guarantees, performance bonds and indemnities, which are not reflected in the balance sheet.

At the balance sheet date the following contingent liabilities exist but have been offset by corresponding assets.

	2001	2000
	\$	\$
Contingent liability on letters of credit	35,100	43,869
Contingent liability on guarantees and indemnities	96,323	140,282
	131,423	184,151

As at December 31, 2001 there were \$337,780 (2000 – \$322,668) in loans and overdrafts committed but not yet drawn.

The bank is the subject of legal actions arising in the normal course of business. Management considers that the liability, if any, of these actions would not be material. No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise.

20. Future rental commitments under operating leases

As at December 31, 2001 the bank held leases on buildings for extended periods. The future rental commitments under these leases were as follows:

	2001	2000
	\$	\$
Not later than 1 year	2,720	2,918
Later than 1 year and less than 5 years	6,952	7,011
Later than 5 years	1,620	2,496
	11,292	12,425

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

21. Staff costs

	2001	2000
	\$	\$
Salaries and wages	61,592	62,081
National insurance costs	1,998	1,938
Pension costs	1,987	555
	65,577	64,574
Average number of employees	1,596	1,625

22. Financial instruments

Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the bank. The amount of the bank's maximum exposure to credit risk is indicated by the carrying amount of its financial assets and as disclosed in note 19 for off balance sheet items.

The bank's credit disciplines are based on a division of authority, a centralized credit review system, a committee system for dealing with all major exposures, and periodic independent review by the bank's operational risk department.

The bank uses a risk rating system to quantify and evaluate proposed credits in order to assist officers in understanding the risks inherent in credit proposals and, if they are acceptable, to ensure appropriate returns.

Retail credits are assessed centrally in the regional risk sanctioning unit (except Bahamas) within lending criteria established by the bank. Computer driven scoring systems ensure credit policies are applied consistently and objectively. Consumer credit portfolios are reviewed monthly using statistical techniques. Credit lines for off-balance sheet instruments such as letters of credit and guarantees are managed as an integral part of this same process.

Credit risk concentration on cash resources and investments are reported in notes 3, 4, and 5. The bank's credit exposure on loans and advances is reported in note 6.

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

22 Financial instruments...continued

Interest rate risk

Interest rate risk arises when there is a mismatch between positions which are subject to interest rate adjustment within a specified period. Exposure is generally managed locally by currency and regularly reviewed on a combined basis by executive management.

Differences in contractual repricing or maturity dates and changes in interest rates may expose the bank to interest rate risk. The majority of financial assets and liabilities are priced on a floating basis with reference to rates recommended by regulators.

The bank uses interest rate swaps as hedges to reduce the exposure to fluctuations in market interest rates resulting from its fixed rate lending to customers. The notional amount outstanding under these contracts at December 31, 2001 amounted to \$61,070 (2000 – \$77,096) and the fair value of the contracts was \$2,415 (2000 – \$404) and is included in other liabilities.

Liquidity risk

Liquidity risk arises from fluctuations in cash flows. The liquidity risk management process ensures that the bank is able to honour all of its financial commitments as they fall due. The bank manages liquidity using policies which include:

- measuring and forecasting cash commitments
- building a large stable base of core deposits from retail and commercial customers
- ensuring immediate availability of large pools of liquid assets to meet unforeseen events
- maintaining a strong credit rating to ensure timely access to borrowing on favourable rates and terms
- diversifying funding sources

The maturity profile of the bank's deposits and other borrowings is not directly hedged by the maturity profile of the bank's advances. Past experience has, however, indicated that deposits are traditionally reinvested at maturity. In addition, the bank's Head Office will support liquidity requirements as necessary.

Fair value of financial instruments

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists. Most of the bank's financial instruments are not traded in a formal market. The majority of the bank's financial instruments are carried at cost and are not adjusted to reflect increases or decreases in fair value due to market fluctuations including those due to interest rate changes.

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

22 Financial instruments...continued

The following methods and assumptions were used to estimate the fair value of balance sheet financial instruments:

Cash on hand, deposits, balances at other banks and placements at Head Office

The fair value of these financial instruments are assumed to approximate their carrying values due to their short term nature.

Investments

The fair values of investments approximate cost.

Loans and advances

The rates of interest in the portfolio reflect market conditions and the carrying amounts, net of allowances for credit losses, reflect their fair values.

Deposits, current accounts and other borrowings

Deposit liabilities payable on demand equal their fair value. Deposits payable after notice or on a fixed date are at rates which reflect market conditions and have fair values which approximate carrying values.

23. Fiduciary activities

The bank provides custody and trustee discretionary investment management services to third parties. Those assets that are held in a fiduciary capacity are not included in these financial statements. At the balance sheet date the bank had investment assets under administration on behalf of third parties amounting to \$73,018 (2000 – \$80,876).

Barclays Bank PLC - West Indies

Notes to Combined Financial Statements

December 31, 2001

(expressed in thousands of U.S. dollars)

24. Proposed combination

On October 30, 2001, Barclays Bank PLC (“Barclays”) and Canadian Imperial Bank of Commerce (“CIBC”) signed an agreement to combine their retail, corporate and offshore banking operations in the Caribbean to create FirstCaribbean International Bank (“FirstCaribbean”).

The proposed transaction would involve Barclays transferring its retail, corporate and offshore banking operations to subsidiaries of CIBC West Indies Holdings Limited (“CIBC West Indies”) in exchange for common shares, and newly created classes of non-voting and preference shares of CIBC West Indies. The proposed combination would result in approximately 45% of the common shares of CIBC West Indies owned by each of Barclays and CIBC and the remainder by the current public shareholders of CIBC West Indies. At that time, CIBC West Indies would be renamed FirstCaribbean and its subsidiaries would also be renamed under the FirstCaribbean banner.

Implementation of the combination is subject to, among other things, the receipt of certain approvals from government and regulatory authorities, certain approvals of the boards of directors of Barclays and CIBC and their subsidiaries, certain approvals of shareholders to the extent required by law and satisfaction or waiver of certain conditions precedent in the agreement between Barclays and CIBC.

**PART XIII: COMPILATION REPORT AND THE UNAUDITED
FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED PRO
FORMA BALANCE SHEET AND INCOME STATEMENT AS OF AND
FOR THE PERIOD ENDED APRIL 30, 2002**



July 2, 2002

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The Financial Services Centre
Bishop's Court Hill
P.O. Box 111
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Compilation Report

**To the Directors of
CIBC West Indies Holdings Limited**

On the basis of information provided by management we have compiled, in accordance with the International Standard on Auditing applicable to compilation engagements, the pro forma summary consolidated balance sheet of FirstCaribbean International Bank Limited as of April 30, 2002 and the pro forma summary consolidated statement of income for the period from November 1, 2001 to April 30, 2002, to give effect to the proposed transactions and assumptions described in the notes thereto. The pro forma summary consolidated balance sheet and the pro forma summary consolidated statement of income have been prepared for inclusion in the Offering Circular relating to the Rights Issue in connection with the proposed combination of the Caribbean retail, corporate and offshore banking operations of CIBC West Indies Holdings Limited and its subsidiaries with the Barclays Caribbean Banking Operations to create FirstCaribbean International Bank. The pro forma adjustments are based on managements' assumptions as described in the notes. Management is responsible for the pro forma summary consolidated balance sheet and pro forma summary consolidated statement of income.

The objective of this pro forma financial information is to show what the significant effect on the historical financial information might have been had the transactions described in the notes occurred at an earlier date. However, the pro forma financial statements are not necessarily indicative of the results of operations or related effects on the financial position that would have been attained had the transactions occurred at an earlier date.

We have not audited or reviewed the pro forma summary consolidated balance sheet and pro forma summary consolidated statement of income and accordingly express no assurance thereon.

Chartered Accountants

Antigua Charles W. A. Walwyn Robert J. Wilkinson
Barbados J. Andrew Marrayshow Philip St. E. Atkinson Michael R. Boyce (Principal) R. Michael Bynoe Joyce E. Dear Wayne I. Fields
Maurice A. Franklin Geoffrey R. Gregory Marcus A. Hatch Stephen A. Jardine Graham A. Kirby Lindell E. Nurse
Brian D. Robinson Maria E. Evelyn-Robinson Christopher S. Sambrano Paul Tadros R. Charles D. Tibbits Ann M. Wallace-Elcock
Grenada Philip St. E. Atkinson (resident in Barbados)
St. Lucia Anthony D. Atkinson Richard N. C. Peterkin

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED
Unaudited Pro Forma Summary Consolidated Balance Sheet
April 30, 2002

(expressed in thousands of U.S. dollars)

	CIBC West Indies Holdings Limited including Cayman Wealth	Effect of adoption of IAS 39	Excluding Cayman Wealth	CIBC West Indies Holdings Limited as adjusted	Barclays Bank PLC- West Indies	Pro forma adjustments	FirstCaribbean International Bank Limited
ASSETS							
Cash and investments	2,450,768	63,192	773,191	1,740,769	3,285,836	212,000	5,238,605
Loans and advances	1,877,761	-	-	1,877,761	1,892,967	-	3,770,728
Property and equipment	64,130	-	677	63,453	50,249	-	113,702
Other assets	85,552	-	9,873	75,679	82,963	1,533	160,175
Goodwill	-	-	-	-	-	246,451	246,451
	4,478,211	63,192	783,741	3,757,662	5,312,015	459,984	9,529,661
LIABILITIES							
Deposits	3,840,108	-	551,014	3,289,094	5,096,455	-	8,385,549
Other liabilities	194,412	-	143,330	51,082	81,957	-	133,039
	4,034,520	-	694,344	3,340,176	5,178,412	-	8,518,588
MINORITY INTEREST							
	108,784	-	89,397	19,387	-	-	19,387
SHAREHOLDERS' EQUITY							
Capital and reserves	158,190	-	-	158,190	18,797	759,244	936,231
Revaluation reserves	-	13,304	-	13,304	-	(13,304)	-
Retained earnings	176,717	49,888	-	226,605	114,806	(285,956)	55,455
	334,907	63,192	-	398,099	133,603	459,984	991,686
	4,478,211	63,192	783,741	3,757,662	5,312,015	459,984	9,529,661

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED
Unaudited Pro Forma Summary Consolidated Statement of Income
for the period November 1, 2001 to April 30, 2002

(expressed in thousands of U.S. Dollars)

	CIBC West Indies Holdings Limited including Cayman Wealth	Excluding Cayman Wealth	CIBC West Indies Holdings Limited as adjusted	Barclays Bank PLC- West Indies	Pro forma adjustments	FirstCaribbean International Bank Limited
Interest income	118,911	6,558	112,353	121,439	7,308	241,100
Interest expense	50,097	3,838	46,259	47,702	-	93,961
Net interest income	68,814	2,720	66,094	73,737	7,308	147,139
Non-interest income	29,086	6,668	22,418	25,691	-	48,109
Total income	97,900	9,388	88,512	99,428	7,308	195,248
NON-INTEREST EXPENSES						
Salaries and staff costs	28,681	2,668	26,013	30,580	-	56,593
Other operating expenses	17,022	859	16,163	19,363	1,800	37,326
Property and equipment expenses	13,173	772	12,401	7,291	-	19,692
Amortization of goodwill	-	-	-	-	6,161	6,161
Provision for credit losses	4,015	-	4,015	9,342	-	13,357
	62,891	4,299	58,592	66,576	7,961	133,129
Income before taxation and minority interest	35,009	5,089	29,920	32,852	(653)	62,119
Taxation	696	-	696	3,819	386	4,901
Income before minority interest	34,313	5,089	29,224	29,033	(1,039)	57,218
Minority interest	6,896	5,089	1,807	-	217	2,024
Net income for the period	27,417	-	27,417	29,033	(1,256)	55,194

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED
Notes to Unaudited Pro Forma Summary Consolidated Financial Statements
as of April 30, 2002

1. Basis of presentation

The unaudited pro forma summary consolidated financial statements have been prepared to illustrate the pro forma FirstCaribbean International Bank Limited ("FirstCaribbean") consolidated balance sheet and consolidated statement of income ("Pro forma Statements") after giving effect to the transaction as if it had occurred as at April 30, 2002 as to the balance sheet and from November 1, 2001 for the income statement.

The terms of the proposed transaction are such that CIBC West Indies Holdings Limited (WIHL) and Barclays Bank PLC (Barclays) will combine their respective Caribbean operations through a process in which Barclays will transfer its branch operations and regional corporate entities to the subsidiaries of WIHL, ultimately in exchange for shares of FirstCaribbean. Barclays will be issued US\$180 million of preferred shares; 24.7 million non-voting shares and approximately 666 million voting shares of FirstCaribbean. CIBC (WIHL's ultimate parent) will initially have 471 million voting shares and the public 140.8 million shares of FirstCaribbean. In addition CIBC will subscribe for 195 million voting shares in WIHL at the price of US\$1.05 per share (for a total of US\$ 205 million).

The pro forma statements have been extracted from the unaudited combined management accounts of Barclays Bank PLC - West Indies and the unaudited interim consolidated financial statements of CIBC West Indies Holdings Limited for the six month period ended April 30, 2002. The unaudited pro forma statements have been compiled on the basis of the accounting policies to be adopted by FirstCaribbean which are consistent with those applied by Barclays Bank PLC - West Indies and WIHL in all material respects. These pro forma statements should be read in conjunction with the unaudited interim consolidated financial statements of WIHL for the six month period ended April 30, 2002 and the audited consolidated financial statements of WIHL for the year ended October 31, 2001 and the audited combined financial statements of Barclays Bank PLC - West Indies for the year ended December 31, 2001.

The pro forma statements are not necessarily indicative of the results of operations or financial position which would have occurred had the transactions occurred on the respective dates, and, therefore, may not be representative of the operating results or financial position of future periods.

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED
Notes to Unaudited Pro Forma Summary Consolidated Financial Statements
as of April 30, 2002

2. Pro forma assumptions and other reconciling adjustments

In preparing the pro forma statements, no adjustment has been made to reflect the cost and revenue synergies which are expected to result from the combination. The pro forma statements give effect to the following assumptions and adjustments:

- (1) The transaction is being accounted for as a reverse acquisition; accordingly, the net assets of Barclays Bank PLC - West Indies have been contributed at carrying value, while the net assets of WIHL have been accounted for at their fair value in accordance with the provisions of the purchase method of accounting as outlined in International Accounting Standard 22 - Business Combinations (IAS 22).

Shareholders' equity comprises the net asset value of Barclays plus adjustments to recognise the fair value of the consideration given to acquire the banking operations of CIBC and the expected proceeds from the rights issue. International Accounting Standards require that the combination be accounted for as a reverse acquisition although legally CIBC may be regarded as the parent or continuing enterprise. For accounting purposes CIBC, although the issuer of the shares, is deemed to have been acquired by Barclays and as such the revaluation reserves and retained earnings of CIBC are adjusted to reflect the fair value of the net assets only. The shares will be issued at the fair value of the consideration received (US\$1.05 per share) and are analysed as follows:

	<u>Number of shares</u>	<u>Value</u> <i>US\$(000)</i>
CIBC Holdings private placement	195 million	205,000
Barclays voting shares	666 million	699,300
Barclays non-voting shares	24.7 million	25,935
Barclays preference shares	180 million	180,000
Rights issue if taken up in full	58.7 million	60,000
Employee stock award	6.0 million	6,351
		<u>1,176,586</u>
Shares issued prior to combination	611.8 million	158,190
Share capital value immediately after combination		1,334,776
Adjustments to reflect the net assets of Barclays		(398,545)
Retained earnings after Employee Stock Award and extraction of excess capital		55,455
Shareholder's equity		<u><u>991,686</u></u>

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED
Notes to Unaudited Pro Forma Summary Consolidated Financial Statements
as of April 30, 2002

2. Pro forma assumptions and other reconciling adjustments...continued

- (2) The unaudited interim financial statements of CIBC West Indies Holdings Limited have been adjusted to reflect the adoption of IAS 39 – Financial Instruments: Recognition and Measurements. The adoption of IAS 39 has resulted in an increase in investments, retained earnings and revaluation reserves of US\$63.2 million, US\$49.9 million and US\$13.3 million, respectively, being the effect of changes in fair value of available for sale securities.
- (3) The pro forma statements have been adjusted to remove the assets and liabilities and income and expenses associated with the Wealth Management Division of CIBC Bank and Trust (Cayman) Limited (Cayman Wealth) as they are not included in the transaction.
- (4) The excess of fair value over the net book value of assets has been allocated to goodwill and is being amortized over the estimated useful life of twenty years.
- (5) An amount of US\$1.8 million representing FirstCaribbean's share of integration costs incurred to-date has been expensed.
- (6) Estimated costs of US\$1.4 million representing FirstCaribbean's share of transaction costs incurred to-date have been included in goodwill in accordance with IAS 22.
- (7) Issuance of the share capital as outlined in the proposed transaction above. Shareholders' equity reflects the reverse takeover accounting as discussed in Note 1.
- (8) The rights offering outlined in this Offering Circular is to be taken up to the full extent representing 59 million voting shares and the related cash receipts of US\$60 million, net of expenses relating to the offering.
- (9) The 6,048,757 shares to be issued from treasury under the terms of the Employee Stock Award has been reflected as if it occurred on the date of combination as an appropriation of retained earnings at the price of US\$1.05 per share for a total of US\$6.352 million.
- (10) An adjustment of US\$53 million has been made to retained earnings and cash reflecting the potential extraction of excess regulatory capital from CIBC WIHL in the form of dividends.

The terms of the combination provide for regulatory capital adjustments with reference to assumed financial positions of each business and the combined business at July 31, 2001, including an assumed Tier 1 capital ratio of 14% for Barclays Caribbean Banking Operations and the CIBC Caribbean Group as at July 31, 2001. This amount is preliminary and is subject to change once the capital basis of each operating company is finalized.

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED
Notes to Unaudited Pro Forma Summary Consolidated Financial Statements
as of April 30, 2002

2. Pro forma assumptions and other reconciling adjustments...continued

- (11) An adjustment of US\$3.975 million of interest income at 3% on the additional cash investment as discussed in assumptions (7) and (8).
- (12) A credit of US\$3.333 million representing one-third of an annual payment of US\$10 million to be made by Barclays Bank PLC to FirstCaribbean for three years effective January 1, 2002 as an incentive for FirstCaribbean to retain its placement balance with Barclays Capital.
- (13) An adjustment of US\$386 thousand for the income tax impact of the adjustments, exclusive of the amortization of goodwill, at an effective rate of 7%.
- (14) An adjustment of US\$217 thousand representing the minority interest share of assumption (12).